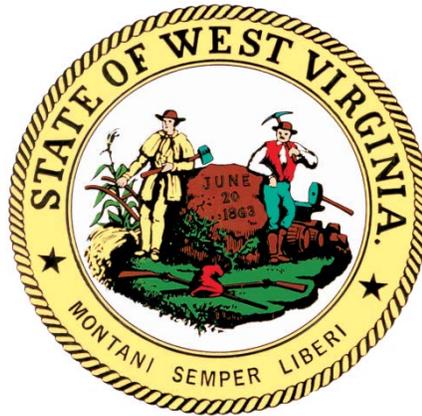


# STATE OF WEST VIRGINIA



## CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

**JULY 1, 2011 – JUNE 30, 2012**

**CONSOLIDATED ANNUAL PERFORMANCE  
AND EVALUATION REPORT**

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# CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT NARRATIVE REQUIREMENTS

July 1, 2011 - June 30, 2012

## SECTION 1 – NARRATIVE REQUIRED BY ALL GRANTEES

### A. ASSESSMENT OF THE FIVE-YEAR GOALS AND OBJECTIVES

In order to facilitate planned improvements to the quality of life and to strengthen and expand the economic base of all West Virginia citizens and communities consistent with the Consolidated Plan, the 2011 program was marketed to provide support to activities directed toward the following state objectives as detailed for each program:

#### Small Cities Block Grant Program:

The West Virginia Development Office (WVDO) received 52 applications for Fiscal Year 2011 Small Cities Block Grant funding. These requests totaled \$62,362,807 for infrastructure projects throughout the state. The percent of low- and moderate-income projects funded to date is 100%. The total dollars allocated to low- and moderate-income activities to date (exclusive of administration) is \$14,822,291. The goals of the Small Cities Block Grant Program (SCBG) and performance measures are as follows:

- (1) Support job creation or retention efforts.
  - No projects were awarded in 2011 based on job creation or retention efforts.
- (2) Support local government efforts to provide affordable water and wastewater systems, to strengthen the foundations for economic growth, and alleviate conditions that affect environmental quality, public health, or welfare.
  - Invested \$14,822,291 in 23 projects that will serve approximately 15,922 low- to moderate-income persons throughout the State.
  - Requested “Letters of Intent” from 10 current projects for \$10,000,000 to be allocated from FY 2012 funds.
- (3) Support local community development efforts to assist lower-income citizens to achieve an improved quality of life by supporting locally developed strategies to increase access to facilities and services and to revitalize deteriorating downtown and residential neighborhood areas.

- Each infrastructure project that received SCBG funding will assist low- to moderate-income citizens in achieving an improved quality of life through the development of clean, reliable water systems and wastewater systems. These projects have either improved the current infrastructure or extended services to previously un-served areas.

### **HOME Investment Partnership Program:**

HOME funds are allocated by formula to the State and are administered by the West Virginia Housing Development Fund (WVHDF). In 2011, the \$8,267,191 allocated to the HOME Program was allocated to projects and programs that support the State's goal of providing decent, affordable housing for all low- and moderate-income families consistent with the Consolidated Plan. A summary of our activities and accomplishments during 2011 has been set forth hereafter.

- (1) Expand homeownership opportunities.

In 2011, the WVHDF financed 12 single-family housing units at a total cost of \$1,461,118 through the NewHOME program and HOME Leverage Loan Program. Ten (102) single-family housing units were financed through the NewHOME Program at a total cost of \$1,192,396, while two (2) single-family units were constructed through the NewHOME Program at a total cost of \$268,722. \$1,009,827 or 69% the \$1,461,118 spent on homeownerships units represent program income earned through the NewHome program of the cost.

- (2) Improve the quality of existing owner-occupied housing.

No funds were directly allocated for the rehabilitation of owner-occupied housing during this program year. The cost of lead based paint abatement and compliance with the Minimum Property Standards established under the State Building Code for older existing owner-occupied units continues to make rehabilitation of these older units an economically unfeasible activity.

- (3) Increase the supply of affordable rental housing units.

In 2011, the WVHDF reserved or committed approximately \$5,882,500 to eligible HOME CHDO projects to finance the construction of 20 single-family housing units and 28 rental housing units during the upcoming year. HOME CHDO's problems in the development and more particularly the sale of single-family housing supported the increase in the number of rental housing HOME CHDO projects. The issuance of a HOME CHDO RFP during the 2011-2012 report period was delayed based on the fact that most of the HOME CHDO's, as well as other non-profit organizations, were not in position to undertake additional rental housing projects. In response to the increased need and demand for affordable rental housing in rural areas of the State, the WVHDF did reserve approximately \$10,221,277 for 10 HOMErent projects during the

reporting period. The HOMErent projects will provide 209 low income rental housing units. The lack of private equity for low-income rental housing has increased the importance of the HOME program funds in the development of for-profit low income rental housing through the Low Income Housing Tax Credit Program.

In 2011, the WVHDF committed \$400,000 in HOME CHDO Operating Assistance Grants to 18 HOME CHDOs. The reduction in funds available through the HOME Program reduced the average award from \$50,000 in 2010 to \$22,222 in 2011. The principal purpose of the Operating Assistance Grants was to finance the eligible operating costs incurred by HOME CHDOs that are involved with the preparation of either a single-family homeownership housing proposal or rental housing proposal that will be submitted for consideration and financing by the WVHDF. The operating expense grant funds are limited by the HOME Program regulations to costs such as salaries, fringe benefits, insurance, rent, staff travel, staff training, materials and supplies and office equipment. The operating expense grants have enabled the CHDOs to offset a portion of their operating costs and increase their capacity to develop both housing programs and projects that will increase the supply of affordable rental housing units in rural areas of the State.

### **Emergency Shelter Grants Program:**

The Office of Economic Opportunity, through the 2011 Emergency Shelter Grants Program (ESG), funded 17 political subdivisions and 34 homeless shelters and transitional housing programs with a service area encompassing the entire State of West Virginia. These shelters and transitional housing programs assisted 8,070 (unduplicated) persons with housing assistance and another 22,831 with non-housing related services. In all, a mix of federal, state, local, and privately raised resources supported 871 year-round shelter beds for individuals, 246 beds for families (dependent on the number of children in these families).

This year, \$922,698 was distributed to West Virginia homeless shelters to provide transitional housing programs, permanent house placement assistance, homeless prevention program, emergency accommodation vouchers, food pantries, physical and mental health care programs, substance abuse assistance, drop-in centers, domestic violence shelters, educational assistance, life skills tutoring, case management, and HIV/AIDS specific programs. ESG funding was used to prevent low- and extremely low-income families and individuals from becoming homeless. In situations where families or individuals were experiencing homelessness, the emergency shelter or housing needs were addressed in turn, making the transition into permanent housing and independent living possible.

West Virginia understands the integral part that correct and unduplicated reporting play in continued success of all service oriented programs. In 2011, all 34 ESG funded programs, with the exception of domestic violence providers, are reporting client-level data on a HUD approved Homeless Management Information System.

## **B. DESCRIPTION SUMMARIZING STATE AND LOCAL EFFORTS, ACTIONS, AND RESULTS IN AFFIRMATIVELY FURTHERING FAIR HOUSING**

CDBG Subgrantees are required by the Title 1 certification not to discriminate in the provision of housing and not to discriminate in CDBG-funded activities that provide housing, housing services, or housing-related facilities. Subgrantees are required to administer housing and community development programs in a manner to affirmatively promote fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services. Both HUD and the State have a legislative mandate to carry out all programs in a manner to affirmatively further fair housing. The State of West Virginia has contracted with a consultant to assist in updating its Analysis of Impediments to Fair Housing Choice.

The education of all West Virginia citizens about fair housing was found to be a key issue throughout the entire process of identifying fair housing impediments. Without knowledge of fair housing laws, people cannot understand how and why protected classes of people suffer from limited housing choices and what can be done to create fair housing opportunities for all state citizens.

The State plans to continue its current activities to promote fair housing choice, including education and enforcement of state and federal fair housing laws. The need for education in regard to fair housing issues is a priority with the State. There is a continued effort to educate, not only ourselves, but also grantees, landlords, and the general public. We are currently seeking new opportunities to promote fair housing and improve awareness among our key partners.

Since 1986, the State has annually, under the Governor's signature, issued and distributed a proclamation, which marks the anniversary of the Federal Fair Housing Law. This proclamation is issued with a cover letter to all communities/municipalities from our Community Development Director. HUD's most recent brochures are included with this mailing when available. SCBG recipients also carry out special activities.

Primary actions taken by local grantees of SCBG funds to further fair housing during 2011:

- Passing or reaffirming Fair Housing Resolutions;
- Annually update Fair Housing Plan;
- Fair Housing Link on websites;
- Publish Public Service Announcements to educate the public concerning housing related issues including discrimination;
- Notifying local newspapers of fair housing initiatives;
- Notifying local realtors of fair housing initiatives;
- Sending information to town halls and county commission offices educating citizens about impediments to fair housing choice; and
- Declaring April as Fair Housing Month in 14 cities and 9 counties throughout the state.

“Press kits” which included press releases that can be sent to the media, are sent to new subgrantees and others as requested. These press releases examine fair housing issues including discrimination due to race, familial status, or handicap. Monitoring visits have shown that these press releases have been utilized throughout the State by subgrantees.

Implementation workshops were held with each new grantee on an individual basis. Chapter 7 (Civil Rights) of the West Virginia Small Cities Block Grant Handbook was covered with emphasis on Fair Housing/EEO and 504 Compliance.

The State has acknowledged the Fair Housing recommendations noted in the Matters of Advice that accompanied the 2011 Notification of Grant Award letter. Going forward, we will strive to implement suggestions made.

In April 2011, the West Virginia Housing Development Fund and the WVDO offered a Fair Housing Law training session in Charleston, West Virginia, for recipients of HUD funding. The training was conducted by Mr. Michael Jansen, Director of the Pittsburg Program Center, Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity. The agenda included Affirmatively Furthering Fair Housing, Plans and CAPERS, Civil Rights Laws, and Section 3 Economic Opportunities.

State staff will continue to attend HUD training pertaining to compliance with applicable civil rights laws when it is available.

### **C. AFFORDABLE HOUSING**

The WVDO partners with the West Virginia Housing Development Fund (WVHDF) and the Office of Economic Opportunity (OEO) on the provision of decent affordable housing. The WVDO feels strongly that the provision of decent, affordable housing opportunities cannot exist without the necessary infrastructure in place. We have instituted a standing quarterly meeting to develop further cooperation among these agencies.

The WVHDF has continued to use the Housing Needs Assessment and other Census data to identify and address the affordability of housing in each of the State’s 55 counties even though the State is only responsible for the administration of the HOME Program in 44 rural or non-consortia counties. The staff will use the Housing Needs Assessment to plan initiatives and programs that will address the range of housing affordability levels needed by residents of the State of West Virginia. The WVHDF will also use the West Virginia Affordable Housing Trust report entitled “Affordable Housing: The Missing Link in West Virginia Economic Development Strategy”, a report that addresses the availability and affordability of rental housing that has been developed in the State of West Virginia. This report will be used by the

WVHDF to identify and target resources for the development of affordable rental housing for low- and moderate income families.

The WVHDF continues to work with the Interagency Housing Council for the Disability Community and other special population service providers in an effort to more accurately assess and address the housing needs of disabled persons. The State continues to provide deep subsidy mortgage loans through its NewHOME program to a limited number of disabled persons that are capable of independent living. In 2011, the WVHDF has set-aside \$500,000 of the NewHOME program funding and its own financial resources for this special population group. The WVHDF will continue to work with service providers and non-profit organizations to support the development of decent housing for developmentally disabled persons.

The WVHDF continues to enforce the Universal Design Standards to promote the development of accessible housing. The Universal Design Standards, which reflect the standards established under the Fair Housing Act, continue to be incorporated into every new single family unit constructed through the NewHOME Program.

Every year, the U.S. Department of Housing and Urban Development (HUD) estimates a Median Family Income (MFI) for use with the Section 8 program. MFIs are set for metropolitan areas, for counties, and at the state level. HUD uses Census income data updated with more recent economic data to determine MFIs and intends them to be used to determine eligibility for HUD programs.

MFI is the income level that divides the distribution of family incomes in a given area in half. This means that half of the families in the area have more income than the median, and half have less. MFIs are established for families consisting of 1 to 8 people. This report will use the number established for a family of four unless otherwise noted. MFIs are useful for understanding the income levels in a given area, and for comparing between areas.

The MFI established for West Virginia in 2011 was \$50,000 compared to the national MFI of \$64,200. West Virginia had the second lowest MFI of all 50 states (Mississippi had the lowest MFI of \$48,000). There was considerable variation between the MFI for metropolitan areas versus non-metropolitan areas. The MFI varies from a low of \$27,600 in McDowell County, a non-metro county in Southern West Virginia, to a high of \$78,200 in Jefferson County, a metro county in the Eastern Panhandle. The MFI in most of West Virginia's southern counties was well below the State MFI of \$50,000.

Every year, the federal government also establishes a definition of poverty. It uses income thresholds based on household size: everyone who is in a household that is below the income threshold for that household size is considered to be living in poverty. In 2011, the poverty threshold for a single person under age 65 was \$10,890 per year, equivalent to \$907 per month. For a family of 4, including 2 related children, the poverty threshold was \$22,350 per year, equivalent to \$1,862 per month.

In West Virginia in 2010, 316,155 persons or 18.1% percent of the State's residents were living below the poverty level. The poverty rate ranged from a low of 9.2% in Jefferson County in the eastern panhandle of West Virginia to a high of 40.8% in McDowell County in southern West Virginia. (The 2011 County statistics were not available.)

Housing affordability is determined by the relationship of housing cost to income. HUD considers housing to be affordable if it costs 30 percent or less of the renter's gross income. An area with very high average incomes can still be unaffordable if rents are typically very high; conversely, very low rents can be unaffordable in areas where incomes are low.

In West Virginia, the 2011 Fair Market Rent (FMR) for a two-bedroom apartment is \$588. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$1,959 monthly, or \$23,510 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$11.30.

In West Virginia, a minimum wage worker earns an hourly wage of \$7.25. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 62 hours per week, 52 weeks per year. Or, a household must include 1.6 minimum wage earner(s) working 40 hours per week year-round in order to make the two-bedroom FMR affordable. The estimated mean (average) wage for a renter is \$9.58. In order to afford the FMR for a two bedroom apartment at this wage, a renter must work 47 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.2 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

The information compiled by the National Low Income Housing Coalition confirmation that affordable single-family and rental housing are still out of reach of most low-income families in West Virginia.

#### **D. CONTINUUM OF CARE NARRATIVE**

The West Virginia Coalition to End Homelessness (WVCEH) was founded in 2002 by homeless service providers throughout the State and is focused on providing a seamless array of homeless services and homeless prevention. The Coalition has three roles, serving as a force for statewide advocacy for homeless issues and needs, the lead agency for the Balance of State Continuum of Care, and the Homeless Management Information System (HMIS) grantee for the Balance of State Continuum of Care. The Balance of State Continuum of Care is one of four Continuums of Care in West Virginia and covers a geographic area comprised of 44 of West Virginia's 55 counties. The remaining three Continuums of Care provide services in the following areas: Wheeling/Weirton CoC (Hancock, Brooke, Ohio, Marshall, and Wetzel counties, and the Cities of Wheeling and Weirton), Cabell, Huntington, Wayne CoC (the City of Huntington and Cabell and Wayne counties),

and the Kanawha Valley Collective (the City of Charleston and Kanawha, Clay, Putnam, and Boone counties).

The goals of the WVCEH are to:

- Integrate a variety of housing options, with services, for homeless individuals and families;
- Provide information, technical assistance, and data analysis to state homeless programs, both housing and service-focused;
- Provide a network to prevent extremely-low- and low-income families and individuals from becoming homeless;
- Address the current lack of adequate, affordable rental housing in West Virginia through data analysis and advocacy. Experience has shown that there is an extreme shortage of affordable housing that meets housing quality standards;
- End chronic, family, and veteran homelessness in West Virginia;
- Influence service providers to assist homeless persons obtain and maintain permanent housing, increase their skills and income, and improve their overall self-determination and independence;
- Provide quality, usable data to all homeless service providers and partners in West Virginia; and
- Foster relationships, best practices, and increased communication among the four Continuums of Care in West Virginia.

Continuums of Care in West Virginia have been responsible for the following type of housing in West Virginia:

Wheeling/Weirton Area CoC: 103 beds of Emergency Shelter, 40 beds of Transitional Housing, 58 beds of Homeless Prevention and Rapid Re-Housing, and 16 beds of Permanent Supportive Housing for the Homeless Disabled.

Kanawha Valley Collective: 308 beds of Emergency Shelter, 133 beds of Transitional Housing, 26 beds of Homeless Prevention and Rapid Re-Housing, and 95 beds of Permanent Supportive Housing for the Homeless Disabled.

Cabell, Huntington, Wayne CoC: 185 beds of Emergency Shelter, 127 beds of Transitional Housing, and 395 beds of Permanent Supportive Housing for the Homeless Disabled.

Balance of State CoC: 637 beds of Emergency Shelter, 336 beds of Transitional Housing, 1,036 beds of Homeless Prevention and Rapid Re-Housing, and 259 beds of Permanent Supportive Housing for the Homeless Disabled.

According to the 2011 Annual Homeless Point in Time Count, characteristics of unsheltered persons in West Virginia included: 806 total unsheltered persons living in places not mean for human habitation. Of that, 108 were unsheltered chronically

homeless persons, 66 unsheltered veterans, 62 unsheltered severely mentally ill persons, 186 unsheltered persons who were chronic substance abusers, 42 unsheltered victims of domestic violence, and 1 unsheltered child under 18 years of age.

The West Virginia Coalition to End Homelessness works closely with primarily three state agencies in West Virginia, including the West Virginia Governor's Office of Economic Opportunity, the West Virginia Housing Development Fund, and the West Virginia Department of Health and Human Resources. These agencies assist the Coalition with resources that improve both the housing options and service arrays provided to homeless persons and families in West Virginia.

In the absence of the currently inactive West Virginia Interagency Council on Homelessness, the WVCEH acts as the only formal entity that provides data and advocacy to examine needs, lack of resources, and the need for changes in policy, as they relate to homelessness. This role is especially crucial as communities prepare themselves for the upcoming changes mandated by the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, an amendment to the McKinney-Vento Homeless Assistance Act. HEARTH will usher in a new era of accountability and efficiency in homeless services by consolidating HUD's competitive grant programs, creating a Rural Housing Stability Program, changing HUD's definition of homelessness and chronic homelessness and aligning the definition of homelessness across several Federal Agencies, simplifying HUD's match requirement, increasing resources for Homeless Prevention, and vastly increasing the emphasis on Continuum of Care performance.

As the economy worsens, the role of the WVCEH will be more vital than ever. Family homelessness, chronic homelessness, and veteran homelessness, will all be on the rise in the coming years in West Virginia. The three vital roles of the Coalition over the coming years will be: (1) breaking down the myth that homelessness does not exist in West Virginia; (2) advocating for greater resources and coordination among all providers for both housing and services; and (3) re-enacting the Interagency Council to improve policy considerations regarding homeless services in West Virginia.

## **E. OTHER ACTIONS**

### Obstacles to Underserved Needs:

The primary obstacle is still the lack of available funds; however, all of the programs have leveraged other private, local, state, and federal resources to help alleviate this obstacle.

### Foster and Maintain Affordable Housing:

The State continues to focus HOME Program resources on three principal areas: 1) homeownership through direct loans and leverage loans; 2) Community Housing Development Organizations (CHDOs); and 3) HOMERent with loans to promote the improvement and creation of rental housing opportunities for low- and very low-income families.

Limited economic development and unemployment continues to emphasize the need for decent single family housing and rental housing opportunities for low-income families in the rural areas of West Virginia. The construction of new single family housing and rental housing, as well as the rehabilitation of existing rental housing, that meets the State building code increases the housing opportunities and choices for low-income families in rural areas.

The WVHDF, GOEO and the WVDO will continue to partner together to foster and maintain affordable housing. The WVDO is a member of the West Virginia Housing Trust Fund (WVHTF), a legal entity established by the State of West Virginia which was established to provide financial assistance in the form of grants to State non-profit organizations involved in the development of housing for low-income families. The WVHTF provides financing through a Request for Proposal to finance market studies and other predevelopment activities, as well as supplemental financing for low-income housing projects that have already secured financing from other resources such as the WVHDF or HUD.

□ Eliminate Barriers to Affordable Housing:

The WVHDF, GOEO and the WVDO will continue to provide technical assistance to communities on the use of these federal funds for affordable housing. In addition, we provide planning grants to assist communities with comprehensive planning needs that can contain housing and community development components. While low-income families do not have to contend with many of the traditional barriers to affordable housing, such as zoning, impact fees, homeowners associations and real property taxes; these families are faced with limited access to traditional mortgage loans, a limited supply of decent, affordable, existing housing and the limited availability of adequate building lots.

The WVHDF has provided deep subsidy mortgage loans through the NewHOME program to finance the construction of new single family and construction/permanent loans to finance the construction of rental units through both the CHDO Program and the HOMERent Program to address the demand for decent, affordable housing units for low-income families. The WVHDF has also provided loans through its Land Development Loan Program so that eligible non-profit organizations can finance the acquisition and development of land for low-income housing. The terms of the Land Development Loan Program loans are designed so that the non-profit organizations can afford to market lots over an extended period of time.

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□ Overcome Gaps In Institutional Structure and Enhance Coordination:

The West Virginia Coalition to End Homelessness was founded in 2002 by homeless service providers throughout the State. Service providers solve the need for statewide seamless services availability for West Virginians who are currently homeless or are in danger of becoming homeless. The Coalition

consists of service providers who cover 44 of the State's 55 counties not already being served by the Continuums of Care in the larger metropolitan areas such as Charleston, Huntington, and Wheeling. To date, the Coalition sites have brought over \$6.5 million in funding to the State that otherwise would have been surrendered to other state and municipalities. The funded Coalition projects have added over 25 new emergency and transitional beds to the State's programs and another 22 permanent housing units are under development and/or operating. The Coalition works diligently to ensure that all who offer services and/or support for low-income West Virginians as well as all homeless providers in the State have the opportunity to become a member of the WVCEH.

The Infrastructure and Jobs Development Council has assisted the WVDO and numerous other state and federal funding and regulatory agencies by enhancing coordination for all entities involved in project funding and implementation. The process enables units of local government to receive ongoing technical assistance on both the regulatory requirements and the funding process necessary for effective project development. Implementation schedules are established that directly impact the local community and the state and federal agencies involved. All parties, including funding and regulatory agencies, are asked to adhere to the implementation schedule. The end result is a successful project that is completed in a timelier manner.

□ Improve Public Housing and Resident Initiatives:

The WVDO is not directly involved in the provision of public housing. However, the HUD requirement that all public housing authorities complete a Consolidated Plan has created an ongoing dialogue between the WVDO and the public housing authorities throughout the State. In partnership with the WVHDF, we review their annual plans and participate in direct funding of initiatives with both SCBG and HOME funds. In 2010, the WVHDF reviewed and approved the Housing Assistance Plans (HAPS) of 17 different Public Housing Authorities for compliance with the State Consolidated Plan. These include housing reconstruction, the development of transitional housing, and numerous projects where the public housing authority serves as the loan originator. The WVHDF does not have adequate HOME funds to provide tenant based rental assistance through the HOME Program.

□ Evaluate and Reduce Lead Based Paint Hazards:

- The WVDO contracts with the WVHDF on the implementation of all SCBG housing projects and relies on their expertise and programs to address the evaluation and reduction of lead-based paint hazards. The WVHDF recognizes the severity of lead based paint (LBP) poisoning and believes that the existing federally required notification of buyers and renters and the readily available blood testing for elevated lead levels available at local health departments provides adequate warning and protection. The WVHDF has no enforcement or regulatory responsibility under these regulations. OSHA regulates contractors to

insure a safe environment for workers dealing with LBP, and the EPA and West Virginia Department of Environmental Protection regulate the disposal of hazardous waste. The WVHDF continues to prohibit the use of HOME funds for lead based paint hazard abatement and strictly limit the use of HOME funds for any housing units built before January 1, 1978. The WVHDF also requires that contractors involved in the development of housing through the HOME Program comply with the Repair, Replace and Paint Rule issued by the EPA.

- Ensure Compliance with Program and Comprehensive Planning Requirements:

The HOME, ESG and SCBG program requirements are strictly enforced to ensure compliance with all applicable regulations, policies, and guidelines. We provide technical assistance to units of local government with state code requirements (Chapter 8, Article 24) for planning and zoning.

- Reduce the Number of Persons Living in Poverty:

Every year, the federal government also establishes a definition of poverty. It uses income thresholds based on household size: everyone who is in a household that is below the income threshold for that household size is considered to be living in poverty. In 2011, the poverty threshold for a single person was \$10,890 per year, equivalent to \$907 per month. For a family of 4, including 2 related children, the poverty threshold was \$22,350 per year, equivalent to \$1,862 per month.

In West Virginia in 2011, 17.8 percent of residents were living in poverty compared to a national poverty level of 14.3 percent. The poverty rate ranged from a low of 10.8 percent in Putnam County in Central West Virginia to a high of 40.8 percent in McDowell County in Southern West Virginia.

One hundred percent (100%) of ESG funding is used to develop and maintain emergency shelter and supportive services for West Virginians below the poverty level. One of the largest shelters funded with ESG (among other) funds is in McDowell County. It is imperative that ESG funding is also used at all ESG funded shelters to expand their services and allow those they serve an opportunity to avail themselves of programs that allow them to move out of poverty and into self-sufficiency.

Between 95% and 100% of the SCBG funds go toward water and sewer projects providing for a better quality of life. All funds have been expended on projects that benefit low- to moderate-income persons and families. Many of these projects directly benefit poverty level families.

The changes to federal and state lending laws, in particular The SAFE Mortgage Act and The Dodd-Frank Act, have made it difficult for the WVHDF to provide loans through the NewHOME Program to families with incomes at or below 65% of the Median Family Income (MFI). The fact that the WVHDF and the Local Originator may be held directly liable for any loans that are not “affordable” to a low-income family has significantly reduced the participation of low-income single-families in the NewHOME Program. The disparity in the MFI and housing costs across the 44 rural counties required the WVHDF to consider waivers for families who were below the 65% AMFI. In 2011, one (1) or 8% of the 12 families assisted through the NewHOME Program and HOME Leverage Loan Program had an income that was between 31% to 50% of the AMFI; while the remaining (11) or 92% of the 12 families assisted through the NewHOME Program and HOME Leverage Loan Program had incomes that were between 51% to 80% of the AMFI. The one (1) very -low-income family that was assisted during the period was a developmentally disabled person that qualified for assistance through the \$500,000 setaside for special needs single-family housing.

## **F. LEVERAGING RESOURCES**

**Please refer to the ESG specific narrative for leveraging information.**

The WVHDF developed the HOME Leverage Loan Program to increase the number of families that could be assisted through the HOME Program. The leveraging of USDA RD Section 502 loans and private lender loans with HOME funds in the form of \$40,000 closing cost and down payment assistance loans enabled the WVHDF to assist one (1) families that could not have qualified for financial assistance through the program in 2011.

The WVDO works with numerous other federal, state, and local funding sources to leverage SCBG funds to the maximum extent possible. During the 2011 program year, over \$85 million in other funds were leveraged with SCBG funds. This total includes new projects as well as projects that were funded in multiple years. Many of the units of local government put funds into their projects. In addition, listed below is a chart detailing other leveraged funding sources utilized:

FUNDING SOURCE	GRANT	LOAN
Rural Utility Service (RUS-USDA)	X	X
Infrastructure and Jobs Development Council (IJDC)	X	X
Abandoned Mine Lands (AML)	X	
U.S. Army Corps of Engineers	X	
Sewer Revolving Loan Fund		X
Drinking Water/Treatment Loan Fund		X
Water Development Authority (WDA)		X
Appalachian Regional Commission (ARC)	X	
U.S. Economic Development Authority	X	
U.S. Department of Environmental Protection	X	

### G. CITIZEN COMMENTS

This CAPER was advertised in six newspapers throughout the State and was made available on site at WVDO, OEO, and the WVHDF for review and comment. The CAPER was also posted on the WV Commerce website. Comments received are included as Attachment A.

### H. SELF-EVALUATION

The WVDO, in collaboration with the WVHDF and OEO is meeting the overall goals as established in the Consolidated Plan regulations at 24 CFR Section 91.1(a). Listed below are questions considered as part of a self-evaluation for each program:

#### Small Cities Block Grant:

- 1) Are the activities and strategies making an impact on the identified needs?  
**Yes.**
- 2) What indicators would best describe the results?  
**The percentage of funds benefiting low- to moderate-income persons and families and the increase in leveraged funds for SCBG projects.**
- 3) What barriers may have a negative impact on fulfilling the strategies and overall vision?  
**The lack of available funds continues to be the most significant challenge. In 2011, the WVDO received over \$62 million in requests for approximately \$14.8 million in available funding.**

## **HOME Investment Partnership Program:**

- 1) Are the activities and strategies making an impact on the identified needs?  
**Yes.**
- 2) What indicators would best describe the results?

**While the number of units completed under the NewHOME Program and HOME Leverage Loan Program decreased from 15 single-family units in 2010 to 12 single-family units in 2011, the WVHDF has been able address several outstanding legal issues with the WV Division of Banking and reorganize its non-profit lending network. The elimination of non-profit lenders that were unable to meet the requirements imposed by federal and state agencies, the development of a revised Participation Agreement, the development of a single-family loan review process with the CHDOs and the sponsorship of contracts between CHDOs and licensed Mortgage**

**Loan Originators, has improved the capacity of the WVHDF and the CHDOs to provide affordable mortgage loans to low-income families.**

**The four (4) licensed Mortgage Loan Originators that work directly with the WVHDF in the delivery of NewHOME loans and HOME Leverage Loans in the 44 counties covered by the HOME Program have expanded their existing target market areas to provide coverage in other eligible areas. Both the Mortgage Loan Originators and the CHDOs are also working with local lenders to develop a viable first mortgage loan program for low-income families.**

**While the WVHDF has made significant progress in the addressing the immediate obstacles, both legal and regulatory, the decline in single-family home sales and values in rural areas, the revision of underwriting guidelines and standards in response to the changes in lending rules and regulations, and the increase in unemployment in several rural West Virginia counties continues to have an adverse impact on the ability of the WVHDF and local non-profit originators to deliver homeownership assistance to low-income families.**

**The revision of the NewHOME loan program eligibility guidelines, which targets financial assistance to families whose incomes do not exceed 80% of the MFI, and the reservation of “deep subsidy loans” for developmentally disabled persons has improved the capacity of the WVHDF to provide affordable mortgage loans to families that can demonstrate “the ability to repay.” The loan repayments, which represent program income, are used to provide additional loans through both the NewHOME Loan Program and HOME Leverage Loan Program.**

**The number of HOME Leverage Loans decreased from 3 loans in 2010 to 2 loans in 2011 as a result of limited participation by both the USDA and private lenders. While some private lenders have indicated that they are willing to participate in loans that require additional rules and regulations, the WVHDF continues to promote the use of the HOME Leverage Loan Program with both the U.S. Department of Agriculture (502 Direct Loans) and Habitat for Humanity Affiliates. The WVHDF still considers the partnerships with these two organizations as essential to success of the HOME Leverage Loan Program. The WVHDF will continue its efforts to identify local private lenders that are willing to provide first lien mortgages for low-income families in conjunction with the HOME Leverage Loan Program.**

**While the WVHDF has addressed the initial changes in federal and state lending laws and regulations that had a negative impact on the ability of CHDO's to develop and finance single-family housing under the HOME CHDO Program, we understand that the additional rules and regulations will be introduced during the upcoming year. While HOME CHDO's are currently able to provide a viable, second mortgage on single-family housing developed through the HOME CHDO Program, the new/revised regulations being issued by the Bureau of Consumer Financial Protection will almost certainly impact the eligibility of low-income families and processing of loan applications. The WVHDF will continue to work directly with CHDOs and Mortgage Loan Originators to mitigate the impact of the new regulations on our homeownership programs.**

- 3) What barriers may have a negative impact on fulfilling the strategies and overall vision?

**Limited economic development, the delayed recovery of the housing market, the tightening of credit standards, the passage of additional lending rules and regulations, the reduction of access to the USDA RD Section 502 loan program, limited private lender participation in the HOME Leverage Loan Program and the changes in the HOME Program regulations will continue to have an adverse impact on the ability of the WVHDF to provide affordable single-family and rental housing through in the NewHOME Program, the HOME Leverage Loan Program, HOMErent and the HOME CHDO Program.**

**The homeownership programs procedures and guidelines will be subject to regular review and revision by the WVHDF to insure compliance with federal and State lending laws and regulations in an effort to increase the participation by private lenders, governmental agencies, and local non-profit organizations.**

### **Emergency Shelter Grant Program:**

The purpose of this program is to help improve the quality of emergency shelters for the homeless in the State of West Virginia by assisting in: establishing programs for the homeless; making available additional emergency shelters; contributing to the development of transitional and supportive housing; and providing direction on how to deliver essential social services for people who are homeless so that these individuals have access to safe, decent and sanitary shelter services and other types of assistance needed to improve their current socioeconomic condition.

The Governor's Interagency Task Force on the Homeless was established on September 4, 1987, by Executive Order 12-87 to coordinate the development and delivery of programs for the homeless in West Virginia. The objectives of the Task Force are to improve existing programs and services, initiate new programs and services, and to enhance cooperative efforts among agencies in state government for the benefit of the homeless in the State. The Task Force also serves as the review committee for the projects submitted for funding consideration under the West Virginia Homeless Shelters Program.

The West Virginia Homeless Shelters Program (WVHSP) was established to expand opportunities for providing shelter for the homeless and to expand the State's existing Emergency Shelter Grants (ESG) Program by including activities and resources of the Office of Economic Opportunity (OEO), the West Virginia Housing Development Fund, the Department of Health and Human Resources, the Department of Education, and other agencies.

This year, \$922,698 was distributed to West Virginia homeless shelters to provide transitional housing programs, permanent housing placement assistance, homeless prevention programs, emergency accommodation vouchers, food pantries, physical and mental health care programs, substance abuse assistance, drop-in centers, domestic violence shelters, educational assistance, life skills tutoring, case management, and HIV/AIDS Programs. ESG funds were used to prevent low- and extremely low-income families and individuals from becoming homeless. In situations where families or individuals were experiencing homelessness, the emergency shelter or housing needs were addressed in turn, making the transition into permanent housing and independent living possible.

The WWHSP is funded from three sources:

1. Emergency Shelter Grants Program (funded through the Office of Economic Opportunity)
2. West Virginia Housing Development Fund and the Office of Economic Opportunity
3. Department of Health and Human Resources, and other agencies

1) Are the activities and strategies making an impact on the identified needs?

**Yes.**

2) What indicators would best describe the results?

**Positive outcomes for the ESG program would include numbers of people served moving from emergency shelter through the homeless continuum of care into transition housing (if needed) then on to permanent housing with the ultimate outcome being complete self-sufficiency.**

3) What barriers may have a negative impact on fulfilling the strategies and overall vision?

**The lack of available funds. The ESG program needs to expand to offer funding to any eligible entity. Presently, this causes a hardship to both the shelters already funded as there is no way to fund new shelters without cutting the funding of those already funded, and to the new or previously unfunded shelters as they cannot receive adequate funding to build capacity. The office of Economic**

**Opportunity will utilize the upcoming HEARTH Act Emergency Solutions Grants program to expand the base of homeless services already being offered in West Virginia. The inclusion of homelessness prevention funding is an integral piece of the housing continuum of care and will only serve to increase the level of services already being offered in West Virginia.**

**STATE PERFORMANCE AND EVALUATION REPORT  
NARRATIVE REQUIREMENTS  
SCBG PROGRAM**

**JULY 1, 2010 – JUNE 30, 2011**

**SECTION 2 – NARRATIVE REQUIRED FOR GRANTEES RECEIVING SCBG FUNDS**

**A. ASSESSMENT OF RELATIONSHIP OF SCBG TO OBJECTIVES OF THE CONSOLIDATED PLAN.**

See narrative in Section 1-A.

**B. DESCRIPTION OF CHANGES IN PROGRAM OBJECTIVES.**

No changes occurred in the 2010 program objectives.

**C. ASSESSMENT OF GRANTEE'S ACTIVITIES IN CARRYING OUT ACTIONS DESCRIBED IN ITS ACTION PLAN.**

The WVDO pursued all resources indicated in our 2011 Action Plan. Certifications of Consistency with the State Consolidated Plan were signed for numerous discretionary HUD grant applications. No request for certification was denied.

**D. NARRATIVE REQUIRED IF GRANTEE DID NOT USE ALL FUNDS FOR THE THREE NATIONAL OBJECTIVES.**

All funds were used exclusively to meet the national objective of benefit to low- to moderate- income persons.

**E. NARRATIVE REQUIRED IF SCBG FUNDS WERE USED FOR ACQUISITION, REHABILITATION, OR DEMOLITION OF OCCUPIED PROPERTY.**

No SCBG projects involving acquisition, rehabilitation, or demolition of occupied property occurred during this program year.

**F. NARRATIVE REQUIRED IF: 1) JOBS WERE MADE AVAILABLE TO LOW- TO MODERATE-INCOME PERSONS BUT WERE NOT TAKEN BY THEM; 2) LIMITED CLIENTELE ACTIVITIES OCCURRED THAT DID NOT FALL INTO THE HUD-DEFINED CATEGORIES; 3) ACTIVITIES THAT GENERATED PROGRAM INCOME; 4) REHABILITATION PROGRAM DESCRIPTIONS; 5) HUD-APPROVED NEIGHBORHOOD REVITALIZATION STRATEGIES.**

The Annual Program Income (PI) Activity Reporting Forms were provided to grantees that received SCBG funds for projects with the potential to earn PI even though these grants were closed out. The program income regulations applicable to each project provided \$25,000 threshold guidelines for earning PI. The following PI reports have been received for fiscal year 2011.

**Clay County Commission- CAEZ Housing Rehabilitation**  
**(Project Number: 95SCBG0004X)**

This project received final close out status on July 22, 2002. These SCBG funds were utilized for housing rehabilitation projects. The PI has been generated from housing rehabilitation loan repayments and expended for additional housing rehabilitation.

PI Receipts	\$6,089.99
PI Expenditures	<u>-0-</u>
Balance	\$6,089.99

**City of Hurricane – Hurricane Small Business Park**  
**(Project Number: 94SCBG0060)**

This project received final close out status on July 22, 2002. These SCBG funds were utilized to purchase and renovate buildings on Main Street to house current on-going businesses.

PI Receipts	\$20,542.86
PI Expenditures	<u>24,123.83</u>
Balance	\$ 3,580.97

**Mingo County Commission—Housing Rehab/Reconstruction**  
**(Project Number: 95SCBG0087)**

This project received final closeout status on April 12, 2002. The SCBG funds were utilized for housing rehab/reconstruction projects. PI earned was generated from loan repayments and previous years expenditures were for the purchase of a building to be utilized for transitional housing within Mingo County.

PI Receipts	\$25,624.27
PI Expenditures	<u>13,825.00</u>
Balance	\$11,799.27

**Mingo County Commission—Wood Products Industrial Park**  
**(Project Number: 98SCBG0076X)**

This project received final closeout status on February 20, 2003. The SCBG funds were utilized for property acquisition and rehabilitation. PI earned was generated from rental. Unilin Flooring rents this facility for production of hardwood flooring and a dry kiln facility.

PI Receipts	\$12,500.00
PI Expenditures	<u>12,500.00</u>
Balance	\$ 0

**G. SUMMARY OF ACTIVITIES AND RESULTS FROM TECHNICAL ASSISTANCE FUNDING.**

The Community Development Division and the Small Cities Block Grant staff provide technical assistance to non-entitlement units of local government. This assistance covers all aspects of the SCBG program operation. This technical assistance ranges from the informal telephone conference calls regarding the program to on-site visits. A major component of the SCBG technical assistance effort includes maintaining a "Grants Management Handbook." Work is ongoing to update this document and it is online. Recipients are encouraged to use these materials. On-site technical assistance was provided to all new recipients who were approved for funding. These implementation meetings were conducted to review program requirements and to provide the recipient with the rules, regulations, and technical assistance guides that are applicable to their project.

Staff participated in meetings with state and local regulatory agencies and associations. These include monthly meetings at the West Virginia Infrastructure and Jobs Development Council, which includes state and federal funding and regulatory agencies. Staff has ongoing communication and meetings with Regional Planning and Development Councils, County Commission, and Municipalities. Staff is also partners with organizations such as the West Virginia Municipal League, the West Virginia Rural Water Association to provide information about SCBG funding opportunities and program guidelines.

On-site meetings, monitoring, participation in preconstruction meetings and additional consultations are scheduled whenever possible in communities and organizations throughout the State.

Technical assistance and capacity building continue to be an identified mission of the Community Development Division and are critical to the achievement of the community development objectives and priorities set forth in the SCBG program design.

**H. COMPLIANCE WITH APPLICABLE CIVIL RIGHTS LAW**

**1. Beneficiary/Applicant Data**

Section 570.491 of the federal regulations governing the administration of the State Community Development Block Grant (CDBG) program requires states to report data on the racial, ethnic and gender characteristics of persons who are applicants for, participants in, or beneficiaries of CDBG programs undertaken by non-entitlement grantees.

Beneficiary data is to be provided for all activities funded beginning with the FY 1992 allocation. Area data such as census data is acceptable for area wide benefit activities. For direct beneficiary data where individuals apply for services based upon income (job creation, homeownership, housing rehabilitation, etc.), data will consist of actual recipients of service; therefore, the data will not be available until the project is completed and the actual beneficiaries known and reported to the State in the Final Performance Report. The Beneficiary Analysis for the 2010 program year and historical figures from 1996 through 2010 will be provided as part of the final report.

**2. Narrative summary of the State's review of recipients' civil rights performance**

West Virginia's SCBG staff is responsible for monitoring activities to ensure that SCBG grantees promote equal opportunity and comply with federal statutes and Executive Orders prohibiting discrimination. The grantee responsibility regarding this component is made known and discussed in detail during the implementation meeting for each new SCBG award. On-site technical assistance is provided to all grantees upon request. In addition, State SCBG staff has developed and made available to all grantees a Section 3 Plan.

Each applicant for SCBG funding must certify to the State that it will comply with equal opportunity requirements. When funding is awarded, each subgrantee becomes contractually obligated to comply with equal opportunity requirements.

A formal complaint process has been established to assist complainants and resolve issues. Unresolved civil rights issues are referred to HUD's Regional FHEO Office for investigation and resolution.

The SCBG staff received no civil rights complaints during this reporting period.

**3. Summary of the results of actions to use minority- and women-owned businesses in carrying out CDBG-assisted activities**

A notification of the online address for the Directory of Woman and Minority Owned Businesses, developed by the West Virginia Small Business Development Center, is available to the general public. The link to this searchable directory searchable by keyword, county, and/or business type is: <http://www.wvcommerce.org/directory/womanminorityowned/default.aspx>

Implementation meetings following grant awards were held with grantees and administrators throughout the State. Our SCBG staff emphasizes the need for each grantee to seek out the services of the Small Business Development Center by informing them of the contract award and type of project that they will bid.

Data regarding woman- and minority-owned businesses is collected and analyzed on an annual basis. A summary of contractor and subcontractor activity from July 1, 2011, through June 30, 2012, is being collected and will be kept on file in our office. A copy of that summary will be provided to our HUD Field Office.

**STATE PERFORMANCE AND EVALUATION REPORT**  
**NARRATIVE REQUIREMENTS**  
**HOME PROGRAM**  
**JULY 1, 2011 – JUNE 30, 2012**

**SECTION 3 – HOME NARRATIVE**

HOME funds (HOME Investment Partnership Act) are allocated by formula to the State, and, by the direction of the Governor, are administered by the Housing Development Fund. For Federal FY2011, \$8,267,191 was allocated to the State of West Virginia (the “State”) HOME Program. This amount was added to the FY1992 through FY2010 allocations for a cumulative total of \$177,082,807.

HOME funds are distributed principally through three subprograms, NewHOME, HOMErent, and Community Housing Development Organizations (CHDO’s). These programs were created by the HDF to best serve the very low and low-income residents of this mostly rural State. For each Federal fiscal year allocation of HOME funds to the State, 10% of that allocation is used to offset administrative costs. As required by law, at least 15% of the State’s HOME funds are reserved for exclusive use by CHDO’s. In accordance with the needs identified in the State’s Consolidated Plan, the remaining funds are used to focus primarily on new homeownership activities through the NewHOME subprogram. A small portion of funds may be used to serve homeowners with substandard homes in need of repair to meet HUD’s housing quality standards. The HOMErent subprogram provides funds to develop rental property within the State.

Below is a table of expenditures for FY2012 as well as expenditures to date since the inception of the HOME Program.

	FY 2012 July 1, 2011-June 30, 2012			FY 1992-2012 Inception of Program-June 30, 2012		
	HOME Funds Disbursed	Program Income	# Units	HOME funds Disbursed	Program Income	# Units
<ul style="list-style-type: none"> <li>• New Construction--\$268,722 - 2</li> <li>• Acquisition--\$1,192,396 -10</li> </ul> <b>Single-Family Homeownership Total</b>	\$ 451,291	*\$ 1,009,827	12	\$ 79,706,704	\$ 27,225,491	1,767
<b>CHDO</b> Homeownership and Rental	6,848,794	0	55	** 39,705,359	99,626	617
<b>HOMErent</b> Rental	1,515,220	899,748	0	4,402,070	1,853,689	121
<b>TOTAL PROGRAM</b>	8,815,305	1,909,575	67	123,814,133	29,178,806	2,505
Administration	1,014,237	*** 180,892		14,888,335	*** 2,670,811	
<b>TOTAL PROGRAM ADMINISTRATION</b>	\$ 9,829,542	\$ 2,090,467	67	\$138,702,468	\$ 31,849,617	2,505

\* Program Income consists of collected monthly mortgage payments, mortgage payoff proceeds and recaptured funds.

\*\* This includes \$291,433 of capacity building funds and CHDO Operating Expense funds of \$395,317

\*\*\* These funds are not set up in IDIS. This is 10% of Program Income used to offset Administrative costs. Therefore, these funds should not be included in balancing to IDIS reports.

## Consolidated Plan

During the reporting period, the State operated its HOME Program under the approved Consolidated Plan for FY 2010-14. This performance report has been prepared by the West Virginia Housing Development Fund to report HOME program activities occurring during the State's FY-11 Consolidated Plan Year.

The Program strategy presented in the FY 2010-14 Consolidated Plan has evolved as experience with the HOME Program increased. From an early "something for everyone" approach, the housing issues portion of the State's comprehensive plan has matured to encompass other State programs' objectives and streamline program goals to activities the HDF does best: turn renters into owners and assisting owners with their housing problems. This housing strategy requires that the HOME Program provide first-time homebuyer assistance to eligible families across the State living in assisted or subsidized rental housing. The households assisted by the HOME Program in the State during FY 2012 are summarized by HUD income categories and family size in the table below.

### HOME PROGRAM

Assistance Provided by Income Group	Renters					Owners				Total (J)	Total Section 215 (K)
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Existing Home-owners (F)	1st-Time Homebuyers		Total Home-owners (I)		
							With Children (G)	All Others (H)			
1. Very Low-Income (0 to 30% of MFI)*						0	0	0	0	0	0
2. Very Low-Income (31 to 50% of MFI)*						0	0	1	1	1	1
3. Other Low-Income (51 to 80% of MFI)*						3	7	1	11	11	11
4. Income information not available**											
5. Total Low Income (lines 1-3)						3	7	2	12	12	12

\* Or based upon HUD adjustment income limits, if applicable

5. Racial/Ethnic Composition of Total Low Income	1. Hispanic	0
	2. Non-Hispanic White	11
	3. Black	0
	4. Native American	0
	5. Asian & Pacific Islander	1
	6. Other (unknown)	0
	7. Total (must equal total on line 4, Column D)	12

**Activities to Affirmatively Further Fair Housing  
July 2011- June 2012**

**Minority Outreach**

During the reporting period for West Virginia’s HOME Program, there were no contracts and no subcontracts. Therefore, none were completed by minority-owned (MBE) or women-owned (WBE) business enterprises.

To encourage the use of minority and women’s business enterprises in connection with HOME funded activities, the HDF set forth statements in the originator and contractor agreements stating that the participating organization/business will assure to the greatest extent feasible that contracts for the procurement of goods and services to be performed in connection with housing improvements or housing construction are awarded to business concerns and minority and women owned businesses will be utilized.

**West Virginia HOME Program Activity  
Minority/Women’s Business Enterprise Utilization  
For the period July 1, 2011 - June 30, 2012**

Dollars Awarded	\$ Amount to MBEs	MBE % of Total	\$ Amount to WBEs	WBE% of Total
Contracts	\$ 0	0%	\$ 0	0%
Subcontracts	\$ 0	0%	\$ 0	0%

**Program Match Requirements**

The State of West Virginia received a 100% match waiver for fiscal years 1992 through 2002. For FY 2003 through 2012, the State has a 50% match requirement with the exception of the counties that were declared federal disaster areas. Those particular counties for each Federal Fiscal Year received a 100% match waiver.

Please see the attached HUD form 40107-A for the HOME Match Log as of June 30, 2012.

**West Virginia Housing Development Fund**  
**Asset Management Department**  
**HOME Multi-Family Rental**  
**Summary of On-Site Compliance Inspection Activities**

**Reporting Period:**

**July 1, 2011 to June 30, 2012**

<u>Property Name</u>	<u>Date Conducted</u>	<u>Inspection Type</u>	<u>Result - Summary</u>
Hurricane Main Street	8/31/2011	Management and Physical	No Affirmative Fair Housing Marketing Plan. 50% occupied.
Steps II	8/25/2011	Management and Physical	No managerial or physical instances of non-compliance.
Seabolt I	8/30/2011	Management and Physical	No managerial or physical issues of non-compliance.
Steps I	8/25/2011	Management and Physical	No managerial or physical issues of non-compliance.
Green Valley Townhouses	8/26/2011	Management and Physical	No managerial or physical instances of non-compliance
Hice Street Elderly	9/16/2011	Management and Physical	No managerial or physical instances of non-compliance
HOPE Living and Learning	8/26/2011	Management and Physical	No managerial or physical issues of non-compliance.
Meadow River	8/18/2011	Management and Physical	No managerial or physical issues of non-compliance.
Hollister Townhouses	1/6/2012	Management and Physical	No managerial or physical issues of non-compliance.
South Street Apts.	1/6/2012	Management and Physical	No managerial or physical issues of non-compliance.
Valley Apts.	1/16/2012	Management and Physical	Waiting List maintenance issues

**West Virginia Housing Development Fund  
Asset Management Department  
HOME Multi-Family Rental**

**Summary of On-Site Compliance Inspection Activities**

**Reporting Period:**

**July 1, 2011 to June 30, 2012**

<u>Property Name</u>	<u>Date Conducted</u>	<u>Inspection Type</u>	<u>Result - Summary</u>
Kennedy Center	2/16/2012	Management and Physical	Unauthorized rent increases, waiting list retention issues, recertification frequency issues.
Helena Manor	3/15/2012	Management and Physical	Unit #5- ineligible tenant, 7 HQS violations.- Completed
Glenwood I & II	4/19/2012	Management and Physical	No managerial or physical issues of non compliance.
Carl Jones I&II	6/7/2012	Management and Physical	Need to create separate HOME tenant files.
Jameson St. Apts.	6/7/2012	Management and Physical	Three HQS violations- Completed
Mountain View Apts.	6/7/2012	Management and Physical	No managerial or physical issues of non compliance.
Payne Building	6/21/2012	Management and Physical	No managerial issues of non compliance. Two EH&S deficiencies were noted. Completed
Pine View Apts.	6/7/2012	Management and Physical	No managerial or physical issues of non compliance.
SAFE Transitional Housing	6/21/2012	Management and Physical	No managerial or physical issues of non compliance.
Starland Hgts. I, II, III	6/28/2012	Management and Physical	Needs an approved rent schedule. 5 HQS Violations. Completed.
Village Road	6/7/2012	Management and Physical	FMR reductions have caused ineligible rents and tenant payments.

**STATE PERFORMANCE AND EVALUATION REPORT  
NARRATIVE REQUIREMENT  
ESG PROGRAM**

**JULY 1, 2010 - JUNE 30, 2011**

**SECTION 4 – ESG NARRATIVE**

- A. For over seventeen years, the West Virginia Office of Economic Opportunity (OEO) has annually funded the operation of emergency shelter facilities through HUD's Emergency Shelter Grants Program (ESG). In 2011, the State allocated \$920,122 in ESG funding to 34 shelters and drop-in centers for those experiencing homelessness or near homeless. These shelters and drop-in centers provide not only emergency shelter but transitional housing, permanent housing placement assistance, homeless prevention programs, emergency accommodation vouchers, food pantries, physical and mental health care programs, substance abuse counseling referral and assistance, safe-havens from domestic violence situations, education assistance, life skills tutoring, and HIV/AIDS programs. Over the past year, 8,070 persons were served with housing assistance and another 22,831 with non-housing related services.

In addition to the funding concerns particular to housing and services, there is a crisis in affordable housing in the United States. Unprecedented economic growth has not raised all incomes equally, although it has raised housing costs. Clearly, people with disabilities depending on Supplemental Security Income (SSI)—equivalent to just 60 percent of federal minimum wage in 2005—have even fewer housing choices.

At a basic level, homelessness results from poverty and a lack of housing that is affordable. Individuals and families who are homeless may have no income, receive benefits, or be employed continually, seasonally, or sporadically. Homelessness for individuals and families may also be linked to mental health issues, developmental disabilities, substance use, criminal history, lack of child support and childcare resources, and/or language and cultural barriers. The ESG funded West Virginia shelters have served 1202 people with residential and non-residential services who suffer from a serious mental illness, 13,798 victims of domestic violence, 1,362 people who suffer from chronic substance abuse, 471 veterans, and 258 elderly. (Note: many of these are co-occurring, and a total of the aforementioned sub-populations will not equal the total numbers of persons served.)

It is estimated that on any given night, three-quarters of a million Americans are homeless. A quarter of these individuals are minors under the age of 18. Up to 2 million are homeless at some point each year. Substance use and homelessness are also closely associated with incarceration and involvement with the criminal justice system. Having a criminal history can make a person ineligible for many types of housing and services, as well as limit employment opportunities. Appropriate services and housing for people with histories of homelessness, mental illness, substance use, and/or incarceration can make a critical difference in improving health

and quality of life. Individuals who have had histories of substance use, mental illness, and homelessness often need ongoing support services in order to maintain stable housing. People affected by these issues may need job skills training and ongoing support in order to obtain and maintain employment.

Homelessness in urban areas looks different from rural areas. While a person without a regular place to stay in an urban area may sleep in an emergency shelter or in a public place, people without a place to stay in rural areas are more likely to move in with friends or family until they wear out their welcome, then move into a shelter not intended for permanent habitation, including abandoned shacks, vehicles, and campgrounds. This means that people who are homeless in rural areas are less visible, making it difficult to estimate the true extent of rural homelessness.

Providing the level of support that many of these individuals need in order to maintain their housing and income is very expensive. However, a 2002 study by the Corporation for Supportive Housing found that supportive housing for people with mental illness actually saved more than \$16,000 per person per year in public funds due to the reduced costs of hospitalizations, incarceration, and shelter. Still, demands on all of the systems serving the homeless are increasing and resources for meeting identified needs are not expected to increase significantly in the future. OEO, through the ESG program, is working diligently to combat the problems the homeless in our larger cities face as well as meeting the needs of the more rural homeless population.

Every year, the federal government also establishes a definition of poverty. It uses income thresholds based on household size: everyone who is in a household that is below the income threshold for that household size is considered to be living in poverty. In 2011, the poverty threshold for a single person was \$10,890 per year, equivalent to \$907 per month. For a family of 4, including 2 related children, the poverty threshold was \$22,350 per year, equivalent to \$1,862 per month.

In West Virginia in 2011, 17.8 percent of residents were living in poverty compared to a national poverty level of 14.3 percent. The poverty rate ranged from a low of 10.8 percent in Putnam County in Central West Virginia to a high of 40.8 percent in McDowell County in Southern West Virginia.

Housing affordability is determined by the relationship of housing cost to income. HUD considers housing to be affordable if it costs 30 percent or less of the renter's gross income. An area with very high average incomes can still be unaffordable if rents are typically very high; conversely, very low rents can be unaffordable in areas where incomes are low.

In prioritizing housing needs in the *HUD Consolidated Development Plan*, homeowners earning below 30 percent of median income and large, related renter families earning below 30 percent of median were the highest priority. Small, related renter families earning below 30 percent of median were a medium priority. Among

homeless needs, assessment/outreach, emergency shelter, and permanent supportive housing for people with special needs were given medium priority. Transitional housing and permanent housing for people with special needs were given low priority.

## **B. Continuum of Care Narrative**

The West Virginia Coalition to End Homelessness was founded in 2002 by homeless service providers throughout the State. Service providers solve the need for statewide seamless services availability for West Virginians who are currently homeless or in danger of becoming homeless. The Coalition consists of service providers who cover 44 of the State's 55 counties not already being served by the Continuums of Care in the larger metropolitan areas such as Charleston, Huntington, and Wheeling. To date the Coalition sites have brought over \$6.5 million in HUD funding to the State that would have otherwise been surrendered to other states and municipalities. The funded Coalition projects have added over 25 new emergency and transitional beds to the State's programs and another 22 permanent housing units are under development and/or operating.

The goals of the West Virginia Coalition to End Homelessness are to:

- Provide a variety of housing options, with services, for homeless individuals and families; and ensure the provision of adequate on-site services;
- Prevent extremely low- and low-income families and individuals from becoming homeless;
- Address emergency shelter and transitional housing needs of homeless individuals and families with children;
- Help homeless persons, including persons with special needs, make the transition to permanent housing and independent living;
- Sustain and expand efforts to prevent homelessness, so that as few as possible individuals and families become homeless;
- Maintain and expand access of homeless persons to programs and services which can meet their basic human needs, so that to the extent that they are willing to accept such assistance, every homeless individual and family has, at a minimum, a safe place to sleep, food, clothing and necessary health care; and
- Maximize the number of homeless individuals/families who, with the help of resources available through the West Virginia Coalition to End Homelessness are able to obtain housing and develop the necessary skills, resources and self-confidence to sustain that housing and maximize their self-determination.

It is estimated that on any given night, three-quarters of a million Americans are homeless. A quarter of these individuals are minors under the age of 18. Up to 2 million are homeless at some point each year. Substance use and homelessness are also closely associated with incarceration and involvement with the criminal justice system. Having a criminal history can make a person ineligible for many types of housing and services, as well as limit employment opportunities. Appropriate

services and housing for people with histories of homelessness, mental illness, substance use, and/or incarceration can make a critical difference in improving health and quality of life. Individuals who have had histories of substance use, mental illness, and homelessness often need ongoing support services in order to maintain stable housing. People affected by these issues may need job skills training and ongoing support in order to obtain and maintain employment.

Homelessness in urban areas looks different from rural areas. While a person without a regular place to stay in an urban area may sleep in an emergency shelter or in a public place, people without a place to stay in rural areas are more likely to move in with friends or family until they wear out their welcome, then move into a shelter not intended for permanent habitation, including abandoned shacks, vehicles, and campgrounds. This means that people who are homeless in rural areas are less visible, making it difficult to estimate the true extent of rural homelessness.

Providing the level of support that many of these individuals need in order to maintain their housing and income is very expensive. However, a 2002 study by the Corporation for Supportive Housing found that supportive housing for people with mental illness actually saved more than \$16,000 per person per year in public funds due to the reduced costs of hospitalizations, incarceration, and shelter. Still, demands on all of the systems serving the homeless are increasing and resources for meeting identified needs are not expected to increase significantly in the future. OEO, through the ESG program, is working diligently to combat the problems the homeless in our larger cities face as well as meeting the needs of the more rural homeless population.

Every year, the federal government also establishes a definition of poverty. It uses income thresholds based on household size: everyone who is in a household that is below the income threshold for that household size is considered to be living in poverty. In 2011, the poverty threshold for a single person was \$10,890 per year, equivalent to \$907 per month. For a family of 4, including 2 related children, the poverty threshold was \$22,350 per year, equivalent to \$1,862 per month.

In West Virginia in 2011, 17.8 percent of residents were living in poverty compared to a national poverty level of 14.3 percent. The poverty rate ranged from a low of 10.8 percent in Putnam County in Central West Virginia to a high of 40.8 percent in McDowell County in Southern West Virginia.

Housing affordability is determined by the relationship of housing cost to income. HUD considers housing to be affordable if it costs 30 percent or less of the renter's gross income. An area with very high average incomes can still be unaffordable if rents are typically very high; conversely, very low rents can be unaffordable in areas where incomes are low.

In prioritizing housing needs in the *HUD Consolidated Development Plan*, homeowners earning below 30 percent of median income and large, related renter families earning below 30 percent of median were the highest priority. Small, related

renter families earning below 30 percent of median were a medium priority. Among homeless needs, assessment/outreach, emergency shelter, and permanent supportive housing for people with special needs were given medium priority. Transitional housing and permanent housing for people with special needs were given low priority.

**C. Leveraging Resources**

The State of West Virginia through the Office of Economic Opportunity leveraged \$43,300 in ESG program funds towards the SHP application for the development and implementation of the Homeless Management Information System (HMIS). This was the only leveraging of the OEO ESG funds.

**D. Self Evaluation - Emergency Shelter Grants Program**

The purpose of this program is to help improve the quality of emergency shelters for the homeless in the State of West Virginia by assisting in: establishing programs for the homeless; making available additional emergency shelters; contributing to the development of transitional and supportive housing; helping to meet the capital cost of rehabilitating structures for use as emergency shelters and transitional housing; and providing direction on how to receive essential social services for people who are homeless so that these individuals have access to safe, decent and sanitary shelter services and other types of assistance needed to improve their current socioeconomic condition.

The Governor's Interagency Task Force on the Homeless was established on September 4, 1987, by Executive Order 12-87 to coordinate the development and delivery of programs for the homeless in West Virginia. The objectives of the Task Force are to improve existing programs and services, initiate new programs and services, and to enhance cooperative efforts among agencies in State government for the benefit of the homeless in the State. The Task Force also serves as the review committee for the projects submitted for funding consideration under the West Virginia Homeless Shelters Program.

The West Virginia Homeless Shelters Program (WVHSP) was established to expand opportunities for providing shelter for the homeless and to expand the State's existing Emergency Shelter Grants (ESG) Program by including activities and resources of the Office of Economic Opportunity (OEO), the West Virginia Housing Development Fund, the Department of Health and Human Resources, the Department of Education, and other agencies.

**The WVHSP is funded from three sources:**

- 1. Emergency Shelter Grants Program (funded through the Office of Economic Opportunity)**
- 2. West Virginia Housing Development Fund and the Office of Economic Opportunity**

### 3. Department of Health and Human Resources, and other agencies

- 1) Are the activities and strategies making an impact on the identified needs?

**Yes.**

- 2) What indicators would best describe the results?

**Positive outcomes for the ESG program would include numbers of people served moving from emergency shelter through the homeless continuum of care into transition housing (if needed) then on to permanent housing with the ultimate outcome being completely self-sufficiency.**

- 3) What barriers may have a negative impact on fulfilling the strategies and overall vision?

**The lack of available funds. The ESG program needs to expand to offer funding to any eligible entity. Presently, this causes a hardship to both the shelters already funded as there is no way to fund new shelters without cutting the funding of those already funded, and to the new or previously unfunded shelters as they cannot receive adequate funding to build capacity.**

#### E. Use of ESG funds

IDIS report is available at the OEO office for review.