



Fifth Year Annual Action Plan



**For the HUD
CDBG and HOME
Programs**

**For the one-year period
July 1, 2014– June 30, 2015**

FINAL

May 2, 2014

**City of Knoxville
Community Development Department
400 Main Street, 5th Floor
Knoxville, TN 37902**

Table of Contents

Annual Action Plan is due every year no less than 45 days prior to the start of the grantee's program year start date. HUD does not accept plans between August 15 and November 15.

Action Plan

Executive Summary.....	4
Citizen Participation.....	14
Resources.....	21
Annual Objectives.....	29
Description of Activities.....	31
Geographic Distribution/Allocation Priorities.....	34
Annual Affordable Housing Goals.....	40
Public Housing.....	46
Homeless and Special Needs.....	49
Barriers to Affordable Housing.....	53
Other Actions.....	56

Program Specific Requirements

CDBG.....	59
HOME.....	61
HOPWA – City of Knoxville does not receive these program funds.....	65

Other Narratives and Attachments..... 67

Appendices.....69

Appendix A Table 2C	
Appendix B HUD Individual Project Worksheets	
Appendix C Citizen Participation Plan	
Appendix D HUD Certifications	



ACTION PLAN

Executive Summary 91.220(b)

5. The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.



ACTION PLAN

Executive Summary

1

This is the draft Fifth Year Annual Action Plan for the Five-Year Consolidated Plan for the use of Community Development Block Grant (CDBG) and HOME Investment Partnerships Grants (HOME). The City of Knoxville has received notification from the U.S. Department of Housing and Urban Development (HUD) of the amounts of federal CDBG and HOME that will be allocated for the 2014-2015 program year and this draft plan is based on those numbers. The CDBG allocation is \$1,410,665 (a decrease of \$59,972, or a 4% decrease from the current year) and the HOME allocation is \$795,283 (an increase of \$16,111, or a 2% increase from the current year). The City has also been notified that it is not receiving Emergency Solutions Grants (ESG) for program years 2014-2015 (beginning July 1, 2014) and 2015-2016 (beginning July 1, 2015).

The City also receives \$2.5 million from a Lead Hazard Reduction Grant from HUD's Office of Healthy Homes and Lead Hazard Control begun in August 2013 and ending in July 2016.

The City of Knoxville Community Development Department is the lead agency responsible for the development and implementation of the Annual Action Plan. The strategies and projects outlined in this plan are intended to benefit low and moderate income residents, improve neighborhoods with high concentrations of low and moderate income residents and positively impact the city as a whole. Strategies will coordinate with other federal and state grant programs and local initiatives to meet the objectives outlined in the plan. The Annual Plan will focus on the five goals established in the Five-Year Consolidated Plan shown below which are Homeownership, Rental Housing, Homelessness, Neighborhood Stabilization and Economic Development.

Five-Year Consolidated Plan Goals, Specific Objectives and Priorities

FEDERAL OBJECTIVES	LOCAL GOALS and SPECIFIC OBJECTIVES	PRIORITY -LEVEL
Provide Decent Housing (DH)	A. HOMEOWNERSHIP	
	1. Increase the supply of affordable owner-occupied housing.	High
	2. Improve the quality and energy efficiency of owner-occupied housing.	High
	3. Improve access to fair and affordable owner-occupied housing.	High
	4. Increase the supply of visitable owner-occupied housing.	High
	B. RENTAL HOUSING	
	1. Increase the supply of affordable rental housing.	High
	2. Improve the quality and energy efficiency of affordable rental housing.	High
	3. Improve access to fair and affordable rental housing.	High
	4. Increase the supply of visitable rental housing.	High
	C. HOMELESSNESS	
	1. Increase the supply of permanent supportive housing for persons who are homeless.	High
	2. Improve access to permanent supportive housing for persons who are homeless.	High
	3. Provide supportive services for persons who are homeless or at risk of becoming homeless.	High
	Create a Suitable Living Environment (SL)	D. NEIGHBORHOOD STABILIZATION
1. Mitigate the impact of vacant, blighted and foreclosed properties.		High
2. Eliminate environmental hazards that impede redevelopment.		High
3. Improve the safety and livability of neighborhoods through redevelopment and revitalization.		High
4. Strengthen neighborhoods by increasing the capacity of resident and stakeholder-led organizations.		High
5. Support quality facilities and services available to the public.		Medium
6. Promote the development of mixed-income neighborhoods.		High
7. Improve mobility and access to transportation.		High
Create Economic Opportunities (EO)	E. ECONOMIC DEVELOPMENT	
	1. Increase access to economic opportunities for businesses in LMI areas.	High
	2. Increase access to economic opportunities for LMI persons.	Medium
	3. Remediate and redevelop brownfields.	Medium

Community Development receives city general funds for initiatives such as the chronic problem properties, commercial façade and property acquisition programs – all of which complement or enhance activities funded through this plan. These initiatives help improve the built environment in low and moderate income neighborhoods. Also funded with city general funds are the Office of Neighborhoods, which assists neighborhood organizations in building capacity and creating stable communities and the Office on Homelessness which coordinates the implementation of the new Homelessness Plan and serves as staff for the Continuum of Care. City general funds also support the Office of Disability Services housed in the Community Development Department.

This plan focuses on the Community Development Department’s core competencies, the leveraging of resources, and coordination with other city departments and partner agencies. This comprehensive approach helps to achieve the goals of the Consolidated Plan as well as the Mayor’s goals of building thriving, vibrant, inclusive and sustainable neighborhoods to make Knoxville a great place to live, work and raise a family.

Plan Priorities, Objectives and Outcomes

Table 2C located in Appendix A. indicates the Objectives and Outcomes outlined in the 2010-2015 Consolidated Plan.

Table 3A below indicates the specific annual objectives, projects and activities to be implemented in program year 2014-2015.

HUD Table 3 A Summary of Specific Annual Objectives PY 2013-2014 - Grantee Name: City of Knoxville, Tennessee

Specific Obj.#	Con Plan Project #	Consolidated Plan Specific Objective & Planned Activities for 2013		Funds	Amount	Performance Indicators	Proposed Accomplishments 2014
Availability/Accessibility of Decent Housing (DH-1)							
DH-1 Specific Objective: Decent Housing Outcome: Availability/Accessibility							
DH 1.1	Priority Need Category: Homeownership / Improved quality for Low-moderate income homeowners						
		City of Knoxville - Owner Occupied Housing Rehabilitation	Rehabilitation of single-family homes owned by LMI persons. Improvements focus on code violations, resource efficiency, and health/safety issues.	CDBG	0	Number of units rehabilitated or replaced	15
				HOME	\$778,878		
DH 1.2	Priority Need Category: Rental Housing/ Increased Supply for Low-moderate income renters						
		City of Knoxville – Rental Housing Rehabilitation or Development	Rehabilitation or development of single and multifamily rental units which shall be occupied by low income tenants at affordable rents. Improvements focus on code violations, resource efficiency, and health/safety issues.	CDBG	0	Number of units rehabilitated or developed	18
				HOME	\$1,193,860		
DH 1.3	Priority Need Category: Homeownership and Rental Housing/ Increased Supply for Low-moderate income renters and home buyers						
		Community Housing Development Organizations (CHDO) Projects	HOME eligible projects that will be performed by locally designated CHDOs.	HOME/CHDO	\$119,417	Number of affordable housing units constructed/rehabilitated/ acquired	9

DH 1.4	Priority Need Category: Homeownership and Rental Housing/Improved quality for Low-moderate income renters and homeowners						
		CAC – Emergency Home Repair	Repair of emergency health conditions in owner-occupied homes in the city of Knoxville. Repairs will be limited to \$5,000 and will typically include sewer repairs, electrical, plumbing, HVAC, accessibility modifications, and roof repair.	CDBG	\$300,000	Number of units rehabilitated or improved	100
		Neighborhood Housing Inc. - Minor Home Repair Program	Operation Backyard provides free minor home repairs to applicants primarily through volunteers and typically includes roofing, plumbing, accessibility features, window repair, and energy efficiency improvements.	CDBG	\$85,000	Number of units rehabilitated or improved	27

DH 1.6 and 1.7	Priority Need Category: Homelessness/Homeless services and homeless prevention services						
		University of Tennessee - Homeless Management Information System (HMIS)	Staff salaries for training & technical assistance to homeless shelters & agencies participating in this computerized database. Enhancement to the current system.	ESG	\$10,117	Number of homeless persons with new or improved access to services	7800
						Number of partner agencies assisted w/ training and support	15
Affordability of Decent Housing (DH-2)							
DH-2 Specific Objective: Decent Housing Outcome: Affordability							
DH 2.1	Priority Need Category: Homeownership / Increase the number of LMI home owners						
		Home Ownership Development – Lonsdale Model Block	Revitalization of a street block in a LMI neighborhood in Knoxville.	HOME	\$250,000 (prior year funds)	Number of LMI housing units	
		City of Knoxville - Downpayment Assistance	Downpayment assistance for income eligible and first-time homebuyers.	HOME	\$250,000	Number of LMI homebuyers	8

Sustainability of Suitable Living Environment (SL-3)							
SL-3 Specific Objective: Suitable Living Environment				Outcome: Sustainability			
SL 3.1	Priority Need Category: Neighborhood Stabilization / Technical Assistance Non-profits and Neighborhood Organizations						
		East TN Community Design Center - CDBG Technical Assistance	Technical assistance & capacity building services to organizations for housing, infrastructure, and other improvements.	CDBG	\$30,000	Number of organizations assisted with Technical Assistance	12
SL 3.3	Priority Need Category: Neighborhood Stabilization / Mitigation of Blighted properties						
		City of Knoxville – Blighted Property Acquisition	Acquisition and disposition of blighted properties for use as affordable housing and/or commercial development in redevelopment or other target areas	CDBG	\$231,532	Number of parcels acquired, Number of units rehabilitated or constructed	8

Sustainability of Economic Opportunity (EO-3)							
EO-3 Specific Objective: Economic Opportunity				Outcome: Sustainability			
EO 3.1	Priority Need Category: Economic Opportunity / Commercial Façade Improvements for Economic Development and Job Creation						
		City of Knoxville – Commercial Façade Program	Improve economically distressed areas by eliminating blight, improving property values, creating jobs and enhancing commercial viability.	CDBG EZ Program Income	\$100,000 \$100,000	Number of Façade improvements	2
		Section 108 Loan Guarantee Program	Loan for special economic development activity to create jobs.	Section 108 Loan Program	TBD	Number of LMI jobs created	TBD

Administration and Program Delivery							
		City of Knoxville – CDBG Administration	Staffing and other administrative expenses necessary to operate the City's CDBG, Funds are capped at 20% allocation plus program income. CDBG Fair Housing activities are included.	CDBG	\$312,133	See individual activities	
		City of Knoxville - Housing Activities Delivery	Staffing and expenses necessary to implement the City's housing activities.	CDBG	\$502,000	See individual activities	
		City of Knoxville – HOME Administration	Staffing and other administrative expenses necessary to operate the City's HOME programs. Capped at 10% of funding plus program income.	HOME	\$149,128	See individual activities	

The City is close to the end of the fourth year of its 2010-2015 five-year Consolidated Plan. Each year the Community Development Department prepares a Consolidated Annual Performance and Evaluation Report (CAPER) to report on progress for Consolidated Plan Goals. Table 2 C of the CAPER was updated to show progress on goals established in the 2005-2010 Consolidated Plan through June 2013.

In carrying out its Consolidated Plan, the City has made considerable progress toward meeting priority needs. Many of the activities performed contribute to stabilizing the City's lower income neighborhoods. Improvements to housing and commercial structures improve the appearance of neighborhoods and create a more appealing environment. Acquisition of blighted and deteriorated properties for redevelopment contributes to neighborhood stabilization and a decrease in crime. New housing development and homeownership programs promote pride in ownership and long term resident stability. Renovations to non-profit facilities that serve homeless individuals help organizations better meet the needs of their clients.

Renovations are performed on both owner occupied and rental housing by the City of Knoxville and its partner nonprofit agencies. The scope of the renovations vary depending on the program and household's needs, with improvements ranging from emergency health and safety improvements to full scale renovations or replacement housing construction for homes too badly deteriorated to benefit from rehabilitation. The City of Knoxville has committed to Energy Star certification on all new replacement homes and CHDO constructed homes. EarthCraft Renovation certification is a goal for homes rehabilitated under the Housing Rehabilitation Program. Additionally, all newly constructed homes and replacement homes must meet visitability standards at a minimum (third party certification such as THDA's Flexible Homes Concepts is highly encouraged). Visitable features must be incorporated in all new construction to allow persons to "age in place" and provide accessibility for all.

Homeownership opportunities affordable to low and moderate income households are increased through downpayment assistance and new housing construction. Blighted property acquisition contributes to future homeownership by clearing property titles and offering lots and homes for sale through the Homemakers Program. Properties purchased through the Homemakers Program must be redeveloped within six months.

The Commercial Façade program stabilizes and enhances commercial neighborhoods as well as contributes to the creation of jobs in the City. Redevelopment plan implementation, Empowerment Zone programs continuing with program income funding, and property acquisition also substantially contribute to job creation by facilitating new business growth and economic opportunities.

Housing, supportive services, and case management are provided to homeless persons through several of the City's partner agencies. Assistance varies according to need and agency, with projects providing emergency, transitional, and permanent support.

The City of Knoxville intends to request a set-aside of Emergency Solutions Grant funding from the State housing agency, Tennessee Housing Development Agency (THDA) in order to replace the loss of its direct allocation of ESG funds. If granted, support for homeless service providers for essential services, street outreach, homelessness prevention, and rapid re-housing will be allocated. City general funds also support case management focused on homelessness prevention for several agencies.



ACTION PLAN

Citizen Participation 91.220(b)

2. Provide a summary of the citizen participation and consultation process (including efforts to broaden public participation in the development of the plan.
3. Provide a summary of citizen comments or views on the plan.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.



ACTION PLAN

Citizen Participation

2

Citizen Participation Plan

The City of Knoxville Community Development Department encourages the participation and input of citizens in the planning and implementation of its community development activities. This Citizen Participation Plan process applies to programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) programs of the U.S. Department of Housing and Urban Development (HUD). Through the Citizen Participation Process, citizens have the opportunity, and are encouraged, to express their views and concerns to assist in strengthening government operations with regard to community development in the City of Knoxville. A copy of the Citizen Participation Plan is located in Appendix C.

Citizen Input Meetings

The citizen-input meeting was held in the evening on December 5, 2013. Approximately 31 citizens attended. The meeting was facilitated by the City of Knoxville's Community Development Department Director and Community Development staff members. It was held at the Cansler YMCA, a prominent location in a key area served by Community Development.

The announcement for this meeting was posted in the major newspaper in Knoxville, the Knoxville News Sentinel, and a Spanish language newspaper, Mundo Hispano. In addition, over 1100 postcard announcements were mailed to individuals and organizations, including groups that serve persons with disabilities, minorities and persons of low- and very low-income who are residents of local target areas where funding is proposed to be used.

A general overview of the Community Development Department and its current projects and activities was presented by the Community Development Director. The meeting attendees were then divided into groups to encourage dialogue and each group was facilitated by a Community Development staff person. Each group reported their discussion to the whole body at the end of the session.

The groups were asked to respond to two questions. The first question asked, *"What neighborhood, or part of the City, do you identify with?"* Second was, *"Given the priorities and resources available, what is the one improvement you'd like to see there?"* The responses included the following:

Answers to Question 1.

- Island Home/South
- Neubert Springs/South
- Downtown University
- South
- Broadway/North
- East Knoxville, Holston Hills
- Beaumont/Mechanicsville
- East Knoxville/Morningside
- East Knoxville/Brooks Avenue
- West Knoxville
- Downtown/Empowerment Zone
- West Knoxville
- Five Points – Gay Street – Jackson Avenue-Mission District
- West Hills
- City-wide
- Mechanicsville, Lonsdale,
- East Knoxville
- Burlington & Magnolia Corridor
- Parkridge and inner City of Knoxville
- Knoxville

Answers to Question 2.

- Magnolia redevelopment
- Connect downtown to outlying neighborhoods
- Housing improved for seniors (safety, repairs)
- Mechanicsville – blighted properties addressed, neighborhood clean up
- Continue focus on homelessness policies
- City to be more involved with schools/community use of schools
- Improvement of city parks (Cansler Avenue)
- Playground facilities removed (basketball)
- Public input
- Community space for activities and gardens for food - food deserts
- Improve homes and rental
- Don't like the 6-plex concept
- Wants more green space
- Homes that match the area
- Are you providing parking? Or is parking on the street or grass?
- Encourage families that bring value to the neighborhood to live and stay in neighborhood
- More mixed-income housing and development

- Truly create community development – need a master plan for development that addresses retail, education and recreation
- Better focus on resources
- Make East Knoxville tourist-friendly, East Knoxville has tremendous history
- Housing Repairs (roof)
- Owner and rental housing
- Energy efficient rental housing and public housing, Section 8
 - Poorly insulated housing and high utility costs may lead to homelessness
 - High utility burden
- Accessibility/Visitability, safety
- Sidewalks, safety
- Decent/safe/energy efficient/affordable housing
- Use vacant houses, reduce blight
- Economic development (East Knoxville)
 - Sit down restaurant vs. fast food (S,N,E)
- Energy efficient owner occupied and rental
 - Windows (safety and security too)
- Attract businesses, job opportunities
- Exterior Beautification
- Allocate a pot of funds to pay homeless individuals and those with little or no skills to do community service jobs
- Funds for weatherization of existing housing (green standard)
- Civic engagement of community resources

From Comment Cards:

“You guys are great partners! We appreciate working with you. NHI”

The following comments/cards are from staff member conversations with two meeting participants. Follow up telephone calls have not been returned, but the results of the initial conversation are below.

“I live across the street from a blighted property. My address is 129 S. Elm Street. The blighted property is 132 S. Elm Street. The family is all deceased. The City boards and cuts it. What can be done? Marshall Walker, 129 S. Elmwood Street, Knoxville, TN 37914 865-546-5359.”

This property has been scheduled for a tax sale through Knox County (19-B).

“Are you able to tear down a property – blighted. 223 Cansler Avenue needs to demo’ed. Empty 5 years, owner alive. Next door 221 Cansler are his renters – Jack Hamplon, owner 6016 Neubert Spring Road, 37920. 865-577-3560. Call 776-7666.”

This property has been sold in a Knox County tax sale (19-A, CIVS/13).

ACTION PLAN

Citizen Participation

3-4

Summary of Citizen Comments and Response to Comments

All comments on the Annual Action Plan will be included in this section.

A draft plan was made available for review and public comment on March 26, 2014, through April 25, 2014, on the City's web-site and at various community locations including the downtown library and community centers in the west, east and south areas of Knoxville.

A second public meeting was held on April 8, 2014, at 5:30 PM at the Cansler YMCA. The meeting was advertised in the Knoxville News Sentinel on March 7th and on Mundo Hispano's web-based paper on March 16. Notice was also given in the City's Office of Neighborhoods weekly newsletter, on the City of Knoxville web-site and over 500 postcard announcements were mailed to individuals and organizations.

Eleven people attended the meeting. Comments, questions (and answers from staff) from the Public Hearing on April 8, 2014 included:

Question: Is the house on Washington Avenue (shown on the slide presentation) a Barber House? Yes, it is.

Question: The areas that won't be funded (ESG), can they fit under another funding section? If we had more funding, yes, the ESG activities could be funded under CDBG Public Services. We've also asked for City General Funds too.

Comment: Appreciation for how the City has managed the reductions in funding over the years.

Comment: Concern was expressed about the loss of ESG.

Comment: Appreciation was expressed for the partnership with the City of Knoxville through the condemnations (that have resulted in people being homeless) to minimize the impact on individuals, who through no fault of their own, are homeless. We need to continue to have the tools to help them. The long term solution is decent, affordable housing.

The Annual Action Plan was also presented to City Council on April 1, 2014. Nine city council members attended the workshop. CD Director Becky Wade gave a presentation. The following are comments/questions and answers from the council members:

- Can comments be made by telephone? Yes.
- Do we expect allocations to drop next year as well? We can not predict. (See the hand out showing funding for all three programs since 1989)
- What is a typical ESG-funded organization? VMC, YWCA, CFTN, CAC, Salvation Army.
- Is ESG the money we provide in umbrella homeless programs? ESG is part of the federal funds we've been getting since at least 1989 (and that we won't be getting this coming program year or next).
- Why the change from Emergency *Shelter* Grant? Change in language, focus on homelessness prevention, rapid re-housing. Solutions, not just shelter.
- Is our limited HUD funding a consideration in how we're held accountable in the CAPER? Yes.
- How do we determine what will be target areas? LM Census tracts, poor quality housing, income and need.
- How many houses can be built with CHDO funds this year? Depends on the subsidy needed, we use other funds as well.
- Do any funds come back from CHDO house sales? Yes, but the funds go to the CHDO (to do more houses).
- Do property taxes have to be paid for consideration for the Rental Rehab program? Yes.
- What is considered affordable? HOME rents, a little lower than KCDC rents.
- Is the Commercial Façade program eligible only in redevelopment districts? Not necessarily, but CDBG funds for the program must be used in a low/mod area.
- How are the funds for the East Tennessee Community Design Center used? For design and technical assistance.
- Can't we just paint over lead-based paint? Sometimes, but it is usually dependent on how much funds we're using. For work between \$5,000 and \$25,000 painting over lead based paint is an acceptable method (with a State certified lead firm), but for work of \$25,000 or more, abatement is required.
- How much do CHDO houses sell for? Around \$110k. Square footage? 2000 SF. 3bedrooms/2 bath.
- Where is Chukar Road? West Knoxville, Hunting Hills West subdivision, North of Middlebrook Pike.
- Please give me details on the loan for the W. Anderson house (slide of power point subdivision). Response emailed to Councilman Wallace on 4/3/14.
- How do homeowners find out about our rehabilitation programs? We do targeted mailings. Present information at events and advertise.
- Does the City get its share of Blighted Property Redevelopment Program (BPRP) funds back at the loan closing? Yes, the City gets funds back when the owner secures permanent financing (when the owner sells or refinances the house).
- Is that glazed brick on the BPRP/Washington Ave. house? Yes. Comment: it looks really nice.

- The new Homelessness Plan is before City Council tonight? Yes.
- What other City funds go into homeless services? \$100,000 for case management at Minvilla and Flenniken; \$125,000 for CAC case management; and \$100,000 for the operation of the Office on Homelessness.
- Please make a copy with larger font of slide 5. HUD's allocations from 2010-2014 available as a hand out (too small on slide). – Councilman Della Volpe. A copy was emailed to Councilman Della Volpe 4/3/14.
- Is the presentation the same for the public hearing on April 8th? Yes.

During the public comment period, no additional response was received.

The Annual Action Plan will be presented to City Council for approval on April 29, 2014.



ACTION PLAN

Resources 91.220(c)(1) and (c)(2)

5. Identify the federal, state, and local resources (including program income) the jurisdiction expects to receive to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.
6. Explain how federal funds will leverage resources from private and non-federal public sources.

ACTION PLAN

Resources

5-6

The U.S. Department of Housing and Urban Development, HUD, has notified the City of the amount of CDBG and HOME funds that it will receive for the 2014-2015 program year beginning July 1, 2014. The City will receive \$1,410,665 in CDBG and \$795,283 in HOME funds. HUD has notified the City that it will *not* be receiving Emergency Solutions Grant (ESG) funds for program years 2014-2015 and 2015-2016. ESG funds of \$10,117 from prior years will be reprogrammed.

Grant Program	Fund Type	Amount
CDBG	2014 Allocation	\$1,410,665
	Projected Program Income	\$150,000
	Total CDBG	\$1,560,665
HOME	2014 Allocation	\$795,283
	Projected Program Income	\$696,000
	Carryover	\$1,000,000
	Total HOME	\$2,491,283
ESG	2014 Allocation	\$0
	Carryover	\$10,117
	Total ESG	\$10,117
Total Plan Resources		\$4,062,065

Federal, State and Local Resources

The City receives several types of funding from the U.S. Department of Housing and Urban Development. Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funds are received on an entitlement basis. While Emergency Solutions Grant (ESG) program funds have been received in the past, the City was notified that it will not receive these funds for program years 2014-2015 and 2015-2016.

CDBG and HOME funds then are the primary sources of funds the City will use to carry out the activities covered by the Annual Action Plan, which is the official application document for these programs.

- **CDBG** - The primary goal of the Community Development Block Grant program is to provide decent housing, a suitable living environment, and expanded economic opportunities for low and moderate-income persons or neighborhoods. Effective December 2013, a four-person household earning up to \$48,400 per year may qualify for programs funded with CDBG monies. For 2014 CDBG eligible activities for subrecipients are focused on the provision of the following essential services; housing improvement projects and design technical assistance to non-profit and community organizations. Due to the decrease in the CDBG allocation, the amount of subrecipient funding has been decreased. CDBG projects that are implemented by the City focus on neighborhood stabilization and economic development through acquisition of blighted properties and façade improvement projects. Neighborhood stabilization is further strengthened by the housing rehabilitation program implemented by the City. The 2014 budget allocated \$1,410,665 in CDBG funding.
- **HOME** - Use of HOME Investment Partnerships Act funding is restricted to housing activities, including housing rehabilitation, new construction, homeownership assistance, and rental assistance. The program uses the same maximum income limits as the CDBG program, although additional restrictions may apply depending on the type of project. At least 15% of each year's HOME allocation is set aside for use by Community Housing Development Organizations (CHDOs). These are non-profit agencies that are required to maintain strong Board representation and input from the low/moderate income communities they serve. There are currently four CHDOs in Knoxville. The HOME allocation for 2014 is \$795,283.
- **Program Income** - The City receives program income from HOME and CDBG activities in the form of loan repayments from persons who have received CDBG or HOME funded loans for housing rehabilitation, or similar assistance and from sales proceeds from acquisition and disposition activities. The program income funds are used for additional loans or other HOME/CDBG eligible activities to benefit the community. The City projects \$150,000 in CDBG and \$696,000 in HOME program income for 2014. Additionally, program income received from Empowerment Zone projects enables the City to continue implementing the Blighted Properties Redevelopment Program and supplement CDBG funds for sub recipient projects.
- **Carryover/Reprogrammed Funds** - The City anticipates \$1,000,000 in HOME carryover funds and \$10,117 in ESG carryover funds. The City plans to allocate HOME carryover to the rehabilitation and development of affordable rental housing and the ESG carryover to the University of

Tennessee's Homelessness Management Information System (HMIS) in PY 2014.

Other Resources

This section describes additional funds available to the City for carrying out Consolidated Plan activities described in this Plan as well as other resources available to the community for activities that meet Consolidated Plan priorities and objectives.

Local Funds

- City of Knoxville General Fund monies are used for administrative expenses and capital programs that further the objectives of the Community Development Department. General and Capital funds have been requested for FY 2014 for activities that assist the homeless, accessibility modifications, chronic problem property remediation, commercial façade improvements, and blighted property acquisition, and support of the Community Schools initiative.
- City of Knoxville General Capital Fund dollars have been allocated for the revitalization of the Five-Points Community including the Walter P. Taylor Homes and Lee Williams Senior Housing Community. Knoxville's Community Development Corporation (KCDC) will use HUD replacement housing funds and Low Income Housing Tax Credits with City funds to continue the revitalization effort.
- Sales proceeds and program income are received from closed out grants, including the HOPE 3 for Homeownership Program, and the State of Tennessee HOUSE Program. These funds are used to assist with low/moderate income housing costs, and are also used as match for the HOME program.
- The Affordable Housing Trust Fund (AHTF) managed by the East Tennessee Foundation, supports homeownership opportunities and the production, preservation, and rehabilitation of housing for lower income households. This program began with a Demonstration Fund that received monies from the City of Knoxville and Knoxville's Community Development Corporation. A permanent Trust Fund was established in 1997, and the City of Knoxville makes an annual contribution. For FY 2014, a request of \$323,000 for the AHTF from the general fund budget has been made. For-profit and non-profit entities are eligible to apply, and must show evidence of community participation in planning the project and support for the application. These funds also contribute to the HOME match requirement.

Other HUD Funds

- The City receives a Lead Hazard Reduction Grant from HUD's Office of Healthy Homes and Lead Hazard Control in the amount of \$2.5 million to be spent by July 2016.
- HUD provides Section 8 Funds to KCDC to administer a rental assistance program. KCDC administers three types of Housing Choice Vouchers:
 - Tenant-based Housing Choice Vouchers pay a portion of the rent for participants in affordable privately-owned rental housing.
 - Mainstream Housing Choice Vouchers enable a participant with disabilities, or a family that includes a person with disabilities, to lease affordable housing of their choice in the private market. Assistance is provided to help with the difficulties in locating suitable and accessible housing.
 - Homeownership Housing Choice Vouchers pay a portion of the monthly mortgage for participants that meet the program eligibility guidelines.

Continuum of Care funding is HUD funding that is provided to assist homeless persons. The City coordinates this application process on behalf of the homeless coalition, which covers three programs: Supportive Housing, Shelter Plus Care and Moderate Rehabilitation for Single Room Occupancy Housing. Grants are made through a national competition. Knoxville submits a consolidated application, which includes a single Continuum of Care application and requests from local nonprofit homeless service providers. For fiscal year 2012, renewal grants totaling \$1,361,618 were awarded to agencies in Knoxville and Knox County. The 2013 renewal grants application for the same total was submitted in January 2014 and the Knoxville/Knox County CoC is, as of this writing, awaiting the results. These funds are a primary source of funding for implementing programs to address the *Consolidated Plan* priority of reducing homelessness.

- Section 108 Loan Guarantee Program
If there is local interest in pursuing financing through the use of a Section 108 Loan, the City may work with a developer to create a viable and approvable Section 108 application.
- The Section 202 Supportive Housing for the Elderly Program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811). HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project rental assistance funds

are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 3 years and are renewable based on the availability of funds.

- Section 811 Special Needs Housing program allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services.

Other Federal or State Funds

- The Tennessee Housing Development Agency (THDA) offers 30-year, fixed rate mortgage loans and down payment assistance loans to first time homebuyers. Borrowers must meet certain requirements and conditions, including credit history, income limits, and cost of home. THDA offers three programs:

Great Choice Loan Program

The Great Choice Loan Program is a 30-year, fixed rate mortgage to first time homebuyers. The program is designed for low and moderate income borrowers with satisfactory credit history buying moderately priced homes. For borrowers needing down payment assistance, a Great Choice Plus loan is available as a second loan. THDA approved lenders are able to assist first time homebuyers with qualification and application for a THDA loan.

Great Choice Plus Loan Program (Down payment Assistance)

The Great Choice Plus is a second mortgage loan offering down payment and closing cost assistance at no interest in conjunction with a Great Choice or Homeownership for the Brave loan. This is a second loan equal to 4% of the sales price of the home and is paid in full over the first ten years of the mortgage or upon sale of the home. Homebuyer Education is required for this loan and is an eight hour training session.

Homeownership for the Brave

This loan program offers a below market interest rate to qualified members of the United States military, National Guard, Veterans and some spouses. A 50 basis point rate reduction (1/2%) will apply to the Great Choice loan and may be used in conjunction with a Great Choice Plus down payment assistance loan. Homebuyer Education is required and the First Time Homebuyer requirement is waived for this loan.

- The Low-Income Housing Tax Credit is a credit against federal income tax liability each year for 10 years for owners and investors in low-income rental housing. Developers submit an application for a tax credit allocation to Tennessee Housing Development Agency (THDA). States can allocate tax credits equal to a total of \$1.80, plus the cost of living adjustment specified in Section 42(h)(3)(H) x Tennessee's population. For Tennessee, this provides approximately \$10 million in tax credits each year. Developments with tax-exempt financing can receive tax credits outside of the state allocation limit. At least ten percent of total credits in each state can only be allocated to non-profit organizations.
- The New Start Loan Program is designed to promote the construction of new homes for low and very low income Tennesseans. The New Start Loan Program will be delivered through non-profit organizations (the "New Start Program Partner" or "Program Partner") with established programs for the construction of single family housing for low and very low income households. The New Start Program Partner is responsible for selecting the homebuyer, determining eligibility, constructing the home, providing homebuyer education, originating and servicing the New Start Loan.
- Federal Historic Preservation Tax Incentives are available for buildings listed in the *National Register of Historic Places* or located in certain historic districts that are substantially rehabilitated for income-producing purposes according to standards set by the Secretary of the Interior.
- New Markets Tax Credit (NMTC): Enacted by Congress in December 2000, the NMTC program authorized tax credits for the financing of economic development in low-income communities. The tax credits are available to investors in community development entities that will use the proceeds to make loans and investments in businesses located in low-income communities. The credits can bridge financing gaps; create new partnerships among investors, communities, businesses, and government; and generate jobs, services and revitalization in distressed areas, in much the same way that LIHTC's did for affordable housing.
- Community Investment Tax Credit (CITC): Financial institutions may obtain a credit against the sum total of taxes imposed by the Franchise and Excise Tax Laws when qualified loans, qualified investments, grants or contributions are extended to eligible housing entities for engaging in eligible low income housing activities.

[Leveraged/Private Funds](#)

Several programs operated by the City encourage or require leveraging of private resources.

- The Owner Occupied Housing Rehabilitation program may combine federal funds with private lender funds to complete rehabilitation work. Development undertaken by CHDOs leverage private construction financing and permanent mortgage funds.
- A partnership between the City of Knoxville, Pinnacle Bank and the Federation of Appalachian Housing Enterprises, FAHE, provides \$2 million in private investment from Pinnacle Bank to support the Owner Occupied Rehabilitation program and the Commercial Façade Improvement program. The funds will flow from Pinnacle Bank through FAHE to the City or property owner in the Commercial Façade Improvement program. For Owner Occupied Rehabilitation, during construction, the City will finance the project with federal HOME and CDBG funds. At the close of construction of a rehabilitation project, FAHE will pay off the construction loan to the City with funding provided by Pinnacle Bank. FAHE will provide long term, low interest, permanent financing to the homeowner for the amount of the construction and service/collect the loan. Pinnacle Bank will receive the CITC credit for their investment. In the current year, one loan has been refinanced by FAHE using the Pinnacle bank funds. For the Commercial Façade Improvement program, owners can access low-interest construction loans to provide match for the City's façade funds.
- The City's Downpayment Initiative program provides downpayment assistance for CHDO-assisted housing only. The primary mortgage is secured by the homebuyer from a private lender.
- The City's Commercial Façade Improvement program requires that participants provide 20% matching funds to expenses paid by the City. As described above, these funds can come from low interest loans from FAHE and Pinnacle Bank.
- The Homemakers program leverages the cost of development. The City acquires the property, which may be sold at a discount. In most cases, the total development cost comes from private sources.



ACTION PLAN

Annual Objectives 91.220(c)(3)

7. Provide a summary of specific objectives that will be addressed during the program year.



ACTION PLAN

Annual Objectives

7

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

<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 type="checkbox"/>	assisting homeless persons obtain affordable housing	<input checked="" type="checkbox"/>	improving the safety and livability of neighborhoods	<input checked="" 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 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 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 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

See Table 3A pages 7 to 10 for the specific objectives that will be addressed this program year.



ACTION PLAN

Description of Activities 91.220(d) and (e)

8. Provide a summary of the eligible programs or activities that will take place during the program year to address the priority needs and specific objectives identified in the strategic plan.

Describe the outcome measures for activities in accordance with Federal Register Notice dated March 7, 2006, i.e., general objective category (decent housing, suitable living environment, economic opportunity) and general outcome category (availability/accessibility, affordability, sustainability).



ACTION PLAN

Description of Activities

8

See Table 3A pages 7 to 10 for the specific objectives that will be addressed this program year.

HUD CPMP Individual Project Worksheets will be included in the final Plan in Appendix B.

Housing Programs:

1. Owner Occupied Rehabilitation – Rehabilitation of single family homes owned by LMI persons. Improvements focus on code violations, resource efficiency and health/safety issues.
2. Rental Rehabilitation and Development – Rehabilitation and/or development of units to be occupied by LMI renters. Improvements focus on code violations, resource efficiency and health/safety issues.
3. HOME/CHDO eligible projects - LMI housing development that will be implemented by locally designated Community Housing Development Organizations (CHDOs).
4. CHDO operating – Operating funds for CHDOs to build organizational capacity. This will not be funded in the 2014-2015 year.
5. Down Payment Assistance – Financial Assistance for LMI first-time homebuyers in CHDO-assisted housing only. May be restricted to CHDO developed homes.
6. Emergency Home Repairs – Emergency repairs in LMI owner-occupied homes.
7. Minor Home Repairs – Minor home repair implemented by a local non-profit with work performed by volunteers.
8. Permanent Supportive Housing – The development of permanent supportive housing for persons who are chronically homeless. No new funding is allocated for this program in the 2014-2015 year.
9. City of Knoxville Model Block Program – A block of formerly blighted properties is being acquired in the Lonsdale Community to be redeveloped into affordable owner-occupied housing. This is a ongoing project that will have design guidelines and be completed by several different non-profit housing developers.

Homelessness Programs:

1. Street outreach and emergency shelter services for homeless individuals and families can not be funded at this time due to the termination of ESG funds during program year 2014-2015.
2. Homelessness prevention for those in imminent danger of losing housing and rapid re-housing services for those who are homeless can not be funded at this time due to the termination of ESG funds during program year 2014-2015.
3. Operation and salary costs for training homeless providers participating in the Homeless Management Information System (HMIS).

Neighborhood Stabilization Programs:

1. Technical Assistance – Design, planning, technical assistance and capacity building services to non-profits and community serving organizations.
2. Property Acquisition – Acquisition and disposition of blighted and problem properties located in LMI areas for use as affordable housing and/or commercial. The City has adopted ordinances that streamline remediation of blighted and problem properties. The Abandoned, Blighted and Vacant Properties Committee will focus on efforts to alleviate vacant buildings and blight in neighborhoods. The City also continues to administer redevelopment areas this year including Mechanicsville, Five Points, Lonsdale, and Vestal. All the areas contain properties that have remained undeveloped or underutilized for several years due to title or environmental problems. The City will continue to acquire abandoned property and clear such problems, offering lots for sale for redevelopment. Blighted properties throughout the city are acquired with City general funds and marketed through the Homemaker's Program. The properties sold through the Homemaker's program are redeveloped, eliminating the blight and improving neighborhood stability.

Economic Development Programs:

1. Commercial Façade Program – Deferred payment loan program for exterior improvements to commercial businesses located in LMI areas to improve property values, create jobs and enhance commercial viability.
2. Section 108 Loan Guarantee Program – Loan to an entity for special economic development project or other eligible use.

Administration of the projects listed above is performed by the Community Development Department staff.



ACTION PLAN

Geographic Distribution/Allocation Priorities 91.220(d) and (f)

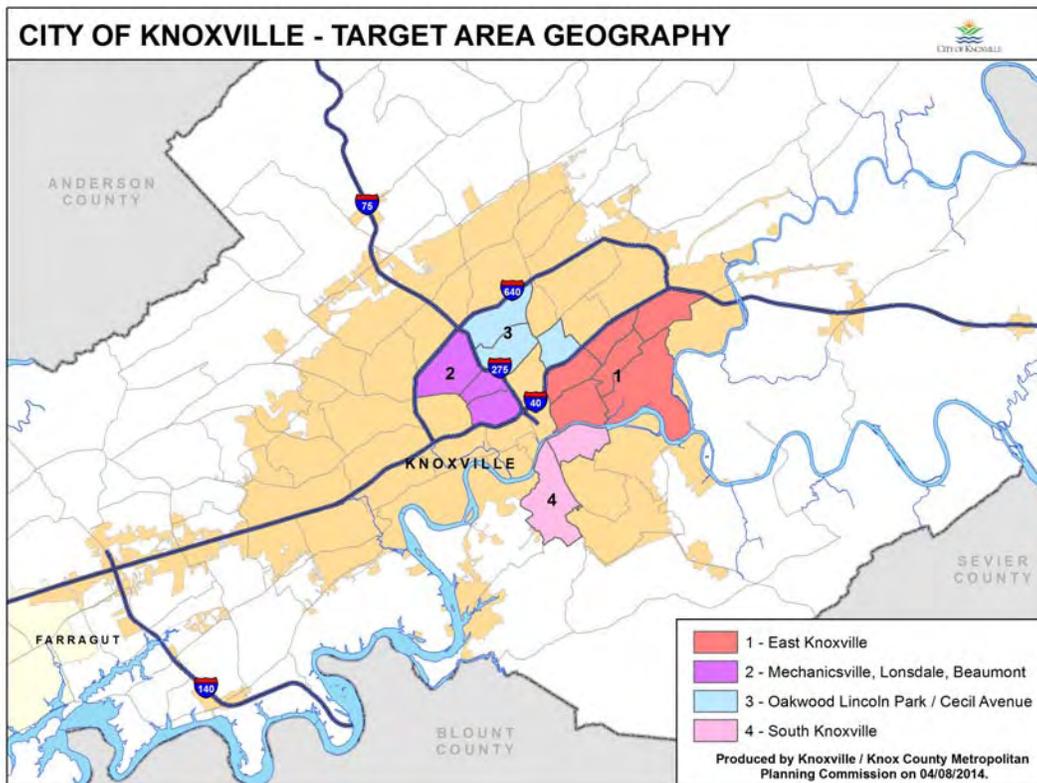
9. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
10. Describe the reasons for the allocation priorities, the rationale for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) during the next year, and identify any obstacles to addressing underserved needs.

ACTION PLAN

Geographic Distribution/Allocation Priorities 9-10

The Consolidated Plan projects and activities serve low to moderate income residents and neighborhoods within the City of Knoxville. Knoxville is the largest city in East Tennessee with a population within the city of 179,973 (source: US Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates). The City comprises 103.8 square miles.

Within the City, four target areas are identified and shown on the map below. The target areas were selected based on needs data from several sources in addition to the current and planned initiatives focused on neighborhood revitalization.



Target Area 1 – East

This area, with the zip-code of 37914, includes census tracts 006700 (formerly 4 and 5), 006800 (formerly 6 and 7), 001900, 002000, 002100 and 003200.

Target Area 2 – Mechanicsville, Lonsdale, Beaumont (MLB)

This area, with the zip-code of 37921, includes census tracts 007000 (formerly 12 and 13), 001400 and 002800.

Target Area 3 – Oakwood Lincoln Park/Cecil Avenue

This area, with the zip-code of 37917, includes census tracts 001500, 002900 and 001700.

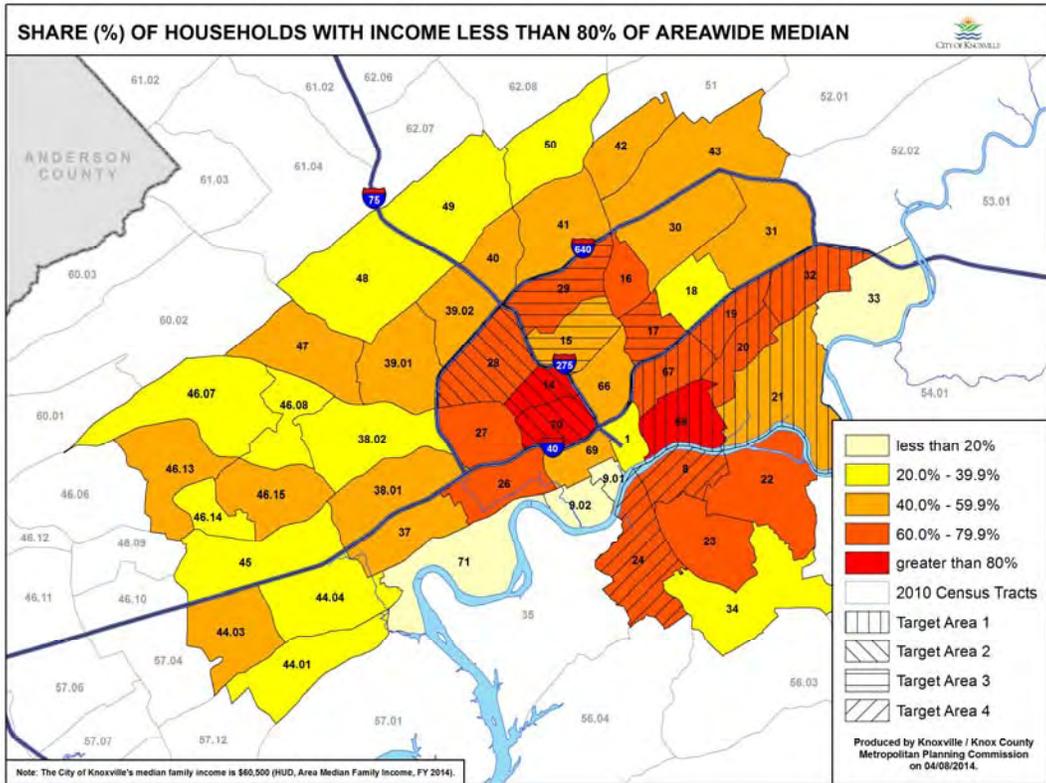
Target Area 4 – South Knoxville (Vestal /Sevier Ave)

This area, with the zip-code of 37920, includes census tracts 000800 and 002400.

U.S. Census Bureau 2008-2012 American Community Survey, 5-Year Estimates data was used to determine household income and minority concentration, while Comprehensive Housing Affordability Strategy (CHAS) data was used to determine the housing needs within the target areas.

In 2008 it was estimated that the City of Knoxville had an unemployment rate of 6.6% while the unemployment rate in the target areas was 9.7%. The unemployment rate in the City of Knoxville peaked in 2009 at 12.1%, while the unemployment rate within the target areas had increased to 17.9%. The most recent American Community Survey shows a decline in the unemployment rate to 7.6% in the City as a whole, and in target areas an unemployment rate of 13.6%.

The area median income for the households located within the target areas is \$27,785 which is less than 50% of the area median income for Knox County, \$64,109. The map below indicates the percent of households within the City and target areas with incomes less than 80% of the area median income.



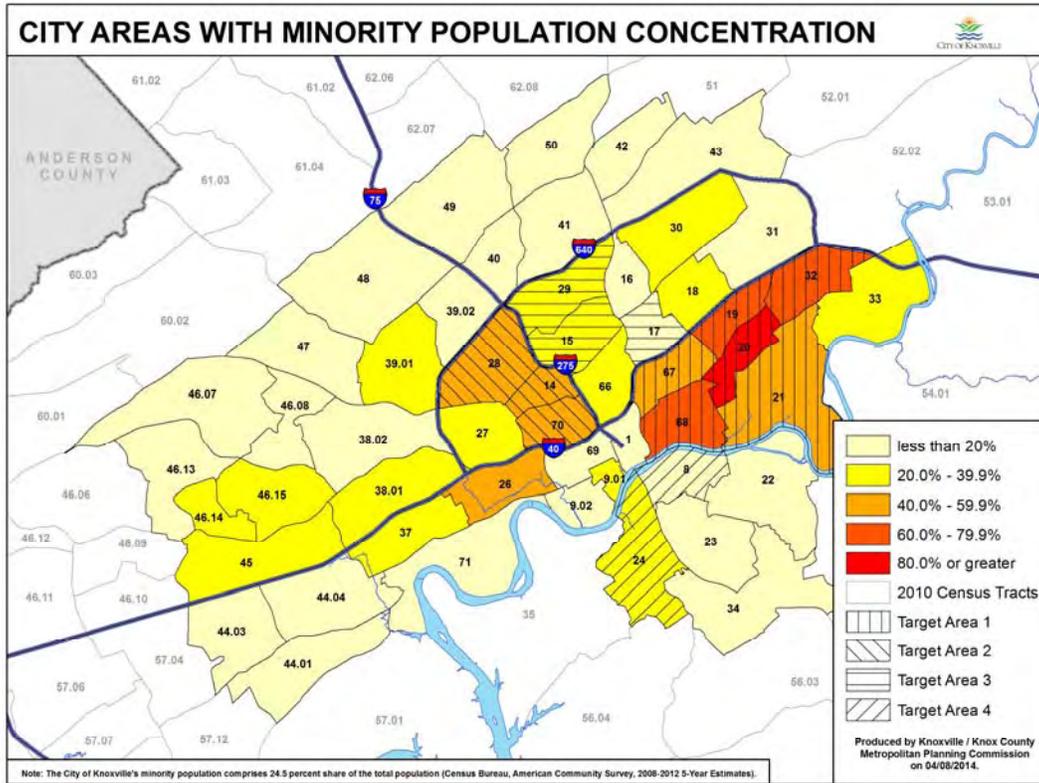
The target areas are comprised of older neighborhoods surrounding the central city with 33% of the housing units constructed prior to 1960. Vacant housing units total 2,090 or 8% of the total housing units in the target areas.

The table below shows 2009 Neighborhood Stabilization Program data from HUD indicating that all census tracts within the target areas have medium to high foreclosure risk scores and high vacancy risk scores. Additionally, local data on bank owned and tax foreclosed properties indicate a high percentage within the target areas.

Target Areas / Risk Scores /Types of Abandoned & Foreclosed Properties

Census Tract	Target Area	HUD Foreclosure Risk Score	HUD Vacancy Risk Score	Bank Owned	Abandoned or Foreclosed through City Tax Sale	Total
5	1	14	20	16	20	36
6	1	17	16	11	9	20
19	1	13	20	15	19	34
20	1	15	20	35	81	116
21	1	13	18	16	31	47
32	1	15	18	21	33	54
Totals				114	193	307
12	2	17	19	1	14	15
13	2	14	19	13	25	38
14	2	13	20	15	34	49
28	2	15	17	15	69	84
Totals				44	142	186
15	3	13	18	10	11	21
17	3	15	19	12	12	24
29	3	13	18	15	14	29
Totals				37	37	74
8	4	12	16	4	8	12
24	4	15	19	14	24	38
Totals				18	32	50
All totals				213	404	617

The map below shows the percentage of minority concentration within the City and target areas.



According to the most recent U.S. Census Bureau 2008-2012 American Community Survey 5-Year Estimate, the total population of the City of Knoxville is 179,973; the total population of the target areas is 45,726. Blacks or African Americans make up 17% of the population of the city and 41% of the target areas. Latinos or Hispanics make up 4% of the population of the city and about 4% of the target areas as well.



ACTION PLAN

Annual Affordable Housing Goals 91.220(g)

11. Describe the one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the jurisdiction and one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units using funds made available to the jurisdiction. The term affordable housing shall be defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.



ACTION PLAN

Annual Affordable Housing Goals

11

HUD Table 3B at the end of this section shows the annual affordable housing goals for the 2014-2015 program year.

The city will pursue availability and accessibility of decent housing for low-moderate income homeowners and renters through its housing rehabilitation programs and subrecipient home repair programs and through new construction for homeownership by Community Housing Development Organizations. Exterior accessibility of housing for persons with disabilities will be implemented by a subrecipient.

Affordability of decent housing will be pursued to enable low-moderate income renters to become homeowners through downpayment assistance in CHDO-assisted housing.

In addition, through Community Development efforts for the sustainability of suitable living environments, affordable decent housing will be made available to lower income households as a result of acquisition, disposition and redevelopment of blighted properties.

Resources to be made available through the Plan will be used for housing priorities as follows:

Housing Rehabilitation and Development- \$887,000 in CDBG and \$778,878 in HOME funds for owner-occupied rehabilitation and development including the Community Development Department's owner-occupied rehabilitation program, funding of the Knoxville/Knox County Community Action Committee (CAC) and Neighborhood Housing, Inc. to perform minor and emergency home repairs.

In addition, \$1,193,860 in HOME funds will be used for rental housing rehabilitation and development projects through the Community Development Department's rental rehabilitation program.

Homeownership - \$250,000 in HOME funds to provide downpayment assistance for first-time homebuyers in CHDO developed housing and \$119,417 in HOME funds provided to Community Housing Development Organizations (CHDOs) for the development of homeownership units for LMI residents.

Although the City is not adding any new funds, it is continuing to use \$250,000 in prior year HOME funds for homeownership development through the Lonsdale Model Block Program. Knoxville's Community Development Corporation (KCDC) is the acquisition and redevelopment authority for the City of Knoxville. KCDC has acquired all but one piece of blighted property in a two block area of Lonsdale pursuant to the Lonsdale Redevelopment & Urban Renewal Plan adopted in 2005.

Once KCDC completes acquisition and clearance of the thirty seven (37) parcels required for the project, the project area will be re-platted into approximately thirty two (32) building lots. Individual lots will be sold to non-profit developers who will construct houses for sale to low and moderate income families. This is a multi-year development project and the City is providing HOME funds to assist developers with construction of the houses and site specific improvements. Potential developers include Habitat for Humanity, KCDC and local CHDOs.

The East Tennessee Community Design Center (ETCDC) has completed a concept plan including site layout and a catalog of house plans. The City will vet the designs with developers to assure that they are compatible with their program requirements and building skill levels. ETCDC will then complete a final site plan that identifies house plans appropriate for placement on specific lots. Developers applying for lots must agree to build the designs specified on the lots they purchase.

Our goal for PY2014 is to work with KCDC to get the infrastructure design completed and the construction underway.

In addition to these specific programs, the City will continue to work with non-profit housing providers and public housing agencies and participate in appropriate committees and boards, such as the Affordable Housing Trust Fund Board.

Affirmatively Furthering Fair Housing (AFFH)

In 2010, the City completed a new *Analysis of Impediments to Fair Housing Choice* for the 2010-2015 Consolidated Plan. This document is available on the City of Knoxville web-site. An updated study will be done with the next Five year Consolidated Plan. Activities that affirmatively further fair housing that will be conducted in the 2014-2015 year include:

- Education and outreach to residents, housing providers, lenders, social/human service agencies, and the general community.
- Dissemination of information to the local news media on fair housing and equality issues and activities.
- Participation in training sessions, workshops, and conferences.

- Visible placement of equal opportunity housing logo on relevant City publications and housing programs that use City, CDBG, HOME, and ESG funding.
- Staff support and/or technical assistance to the Equality Coalition for Housing Opportunity, the Council On Disability Issues, Disability Resource Center, Knoxville-Knox County Homeless Coalition, and Dr. Martin Luther King Jr. Commemoration Commission.
- Operation and/or funding of programs which promote housing opportunities, such as homeownership education and downpayment assistance, housing improvements, and new housing development.
- Development of the Fair Housing and Equity Assessment, FHEA, for the Knoxville metropolitan statistical area, MSA, as required and funded by the Sustainable Communities Regional Planning Grant and documenting issues that impact housing equality.
- Promoting applicable civil rights legislation and regulations relative to fair housing and equal opportunity.
- Monitoring and studying fair housing and equal opportunity compliance.
- Make appropriate fair housing referrals to the Tennessee Human Rights Commission for review and possible investigation.

Grantee Name: Knoxville, TN Program Year: 2014-2015	Expected Annual Number of Housing Units To Be Completed	Actual Annual Number of Housing Units Completed	<i>Resources used during the period</i>			
			CDBG	HOME	ESG	HOPWA
BENEFICIARY GOALS (Sec. 215 Only)						
Homeless households	0				<input type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	185		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special needs households	(inc. in non-homeless number)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Beneficiaries*	185		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RENTAL GOALS (Sec. 215 Only)						
Acquisition of existing units	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	18		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Rental	18		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME OWNER GOALS (Sec. 215 Only)						
Acquisition of existing units	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Production of new units	9		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitation of existing units	142		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Homebuyer Assistance	8		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Owner	167		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Grantee Name: Knoxville, TN Program Year: 2014-2015	Expected Annual Number of Housing Units To Be Completed	Actual Annual Number of Housing Units Completed	<i>Resources used during the period</i>			
			CDBG	HOME	ESG	HOPWA
COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)						
Acquisition of existing units	8		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Production of new units	9		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	160		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Homebuyer Assistance	8		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Combined Total Sec. 215 Goals*	185		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OVERALL HOUSING GOALS (Sec. 215 + Other Affordable Housing)						
Annual Rental Housing Goal	18		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	167		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Overall Housing Goal	185		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



ACTION PLAN

Public Housing 91.220(h)

12. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
13. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

ACTION PLAN

Public Housing

12-13

Improve Public Housing and Resident Initiatives

City staff reviewed and commented on Knoxville's Community Development Corporation's (KCDC) Five Year and Annual Plans in order to ensure the Plans are consistent with the City's goals and *Consolidated Plan*.

KCDC reports that they are expanding the supply of assisted housing, including being awarded 85 Section 8 VASH Vouchers and 76 Tenant Protection Vouchers. They have constructed 105 elderly-designated housing units. They are also working to improve the quality of assisted housing by completing renovations on 478 units, demolition of 435 units, and completing 17 infill family housing units. All Section 8 HCV units are rated using in-house Housing Quality Rating System to improve rent reasonableness comparisons, encouraging owners-repairs and promoting energy efficient upgrades. Choice in assisted housing options is being increased through the purchase, renovation and transfer of foreclosed houses to Habitat for Humanity. KCDC is promoting self-sufficiency among its residents through training and job placement through resident assessments and referrals by partnering with Tennessee Vocational Rehabilitation Services and the Tennessee Department of Labor and Workforce Development. KCDC ensures equal opportunity and affirmatively furthers fair housing with annual training for all management staff and participation in local conferences and training. The agency also has provisions for VAWA, The Violence Against Women and Department of Justice Reauthorization Act of 2005.

The KCDC 2014 Annual Plan also includes the following objectives:

- Possibly apply for a Choice Neighborhood Grant, depending upon funding availability;
- Acquire and/or build replacement public housing (500 units) with mixed financing possibly;
- Consider submitting a demolition application to HUD for approval once the property and number of buildings/units are determined; and
- Issue an additional 23 vouchers to the 127 currently in the Project-Based Voucher Program.

KCDC also makes an effort to encourage public housing residents to become more involved at their properties and participate in homeownership. A program designed to move Section 8 residents into homeownership has resulted in six former renters becoming homeowners in the last year. The City coordinates with KCDC to encourage participation in City-assisted homeownership programs.

[KCDC is a high performing public housing agency.](#)



ACTION PLAN

Homeless and Special Needs 91.220(i)

14. Describe, briefly, the jurisdiction's plan for the investment and use of available resources and describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness.
15. Describe specific action steps to address the needs of persons that are not homeless identified in accordance with 91.215(e).
16. Homelessness Prevention—Describe planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.



ACTION PLAN

Homeless and Special Needs

14

Knoxville has developed a new, revised community plan to address homelessness. City Council voted to officially adopt this plan on April 1, 2014. This plan seeks to address all categories of homelessness, and replaces the previous Ten Year Plan to End Chronic Homelessness. The new plan builds on successes and lessons of the previous plan, incorporates extensive public input and is aligned with priorities and requirements of the Continuum of Care regulations, the HEARTH Act, and the Federal “Opening Doors” plan.

Knoxville began implementing its Ten Year Plan to End Chronic Homelessness in 2007. While the plan was focused on ending chronic homelessness, its implementation also resulted in a high level of collaboration and coordination among organizations that serve the homeless population, chronic and otherwise.

The plan focused on the “housing first” model of permanent supportive housing (PSH), both through use of existing affordable housing options and through the additional development of new units of permanent supportive housing in this community. Outreach and engagement services identify the chronically homeless within the community and connect them with case management services. Case management is structured to assist the chronically homeless in obtaining affordable housing as rapidly as possible, where case management and supportive services are continued, with the goal of sustaining housing and reintegrating into the community to the greatest extent possible. One hundred and five new units of Permanent Supportive Housing have been completed in the last three years. Many more individuals and families have also been placed into existing permanent housing units using both *housing first* and *rapid re-housing* approaches. The Continuum of Care (CoC) chronic homelessness strategy has been coordinated with the implementation of the jurisdiction’s Ten Year Plan, and will be coordinated with the new community plan.

Implementation of this jurisdiction’s Ten Year Plan to End Chronic Homelessness resulted in key provider agencies coordinating, adapting and in some cases realigning their core functions in order to achieve the objective of ending chronic homelessness in this community. The Ten Year Plan’s focus on permanent supportive housing for the chronically homeless yielded a

significant volume of permanent housing placements with housing retention rates exceeding the already high national averages for this proven type of housing.

Knoxville is currently continuing and building upon a high level of coordination to address homelessness. Now, with adoption and implementation of our new comprehensive community plan on homelessness, it is disheartening that HUD's adjustments to formula funding will result in a loss of ESG funds not only in the coming program year 2014-2015 but also in 2015-2016.

The USICH *Opening Doors* plan poses an ambitious schedule for ending various types of homelessness, and the CoC and Consolidated Plan processes further urge us toward the same ambitious goals. At the same time, CoC funding is static and direct ESG funding has been discontinued for Knoxville. We will nonetheless continue to pursue these goals. We will also now work with the State of Tennessee to attempt to recapture some portion of the ESG funding, though this adds a layer of bureaucracy and decreases the level of coordination of ESG resources with other homelessness efforts.

The only current ESG funds available are carryover funds in the amount of \$10,117 from the previous year, which will be allocated to the homelessness management information system (HMIS) operated by the University of Tennessee.

KnoxHMIS In the past, the City has required that all ESG subrecipients participate in and actively use the Knoxville-Knox County Homeless Management Information System (KnoxHMIS) for client intake, assessment, and service coordination. The only exceptions to this requirement have been in the areas of domestic violence as specifically noted by the U.S. Department of Housing and Urban Development. ESG subrecipients have also been required to participate fully in the Knoxville-Knox County Homeless Coalition and to coordinate with the Knoxville-Knox County Continuum of Care.

Persons with disabilities will be served through the installation of exterior accessibility features such as ramps. The project (DH1.4) will be implemented by the Knoxville-Knox County Community Action Committee (CAC) and the Neighborhood Housing Inc., both of which offer emergency and minor home repairs.

Two strong ESG initiatives include rapidly re-housing homeless individuals and preventing families and individuals from becoming homeless. Case management and supportive services are provided for homeless individuals and families with incomes at or below 30% area median income (AMI). Homelessness Prevention Services help clients move forward from circumstances that caused housing instability. Clients are provided the necessary support to avoid eviction, including assistance with utilities and

rent payment. Through Rapid Re-Housing Services, the focus is to achieve permanent housing and to sustain stability in that housing. Clients are provided assistance with first month's rent and/or security deposits, deposits for utility connections, storage and moving assistance, and basic household starter package. We will pursue whatever options available to us to continue to provide these resources, despite the loss of our ESG allocation.

Elderly residents are served by the owner-occupied housing rehabilitation program and emergency/minor home repair programs.



ACTION PLAN

Barriers to Affordable Housing 91.220(j)

17. Describe the actions that will take place during the next year to remove barriers to affordable housing.

ACTION PLAN

Barriers to Affordable Housing

17

Strategy to Remove Barriers to Affordable Housing

In order to address barriers to affordable housing, the City will pursue the strategies outlined in the Five Year Plan listed below.

A. Complexity of the Development Process: The City is marketing an increasing number of parcels through its Homemakers Program. We will be reviewing these parcels for compatibility with the subdivision regulations and correcting many of the more difficult obstacles before transferring them to developers. Small parcels can be combined with others and re-platted into buildable lots of record, reducing the time and cost investment for the developer.

B. Acquiring and Assembling Inner City Parcels: The City continues to administer redevelopment areas this year including Mechanicsville, Five Points, Lonsdale, and Vestal. All the areas contain properties that have remained undeveloped or underutilized for several years due to title or environmental problems. The City will continue to acquire abandoned property and clear such problems, offering lots for sale for redevelopment. Blighted properties throughout the city are acquired with City general funds and marketed through the Homemaker's Program. The properties sold through the Homemaker's program are redeveloped, eliminating the blight and improving neighborhood stability.

C. Increasing Cost of Development: New programs are being designed to encourage private investment in older neighborhoods. Previously, incentives targeted to assist and encourage residential development were developed independently from commercial incentives. New policy on redevelopment tries to coordinate residential redevelopment with adjacent neighborhood commercial development so that both come on line at the same time. This serves to support both efforts. The City is encouraging alterations to designs of infill housing that make the new housing fit in better with the older existing homes. Design guidelines have been developed for use in redevelopment areas and for all City subsidized infill houses. This effort includes descriptions and illustrations of low cost modifications builders can make. In the long run, this will help maintain high property values for buyers and should have a substantial impact on neighborhood image and

marketability. An I-H Zoning applies the infill guidelines area wide in selected neighborhoods. The City adopted an amendment to the zoning ordinance that makes development of substandard inner city parcels more feasible, reducing the time line and approval process in many cases.

D. Access to Available Government Programs and Subsidies: Marketing of the City's programs is being emphasized and marketing efforts are underway. A listing of available Homemakers properties are posted on the City web site (<http://www.cityofknoxville.org>). The Office of Neighborhoods sends out a weekly newsletter including information about all City grant opportunities to a listserv of 650 Knoxville residents.

E. Building Codes: The City has adopted the International Building Code that contains a chapter "Existing Buildings" allowing designers additional alternatives to meet requirements when renovating older buildings. The Alternative Building Code can be used in the Central Business Improvement District (CBID). This option can make redevelopment of older buildings more practical and less expensive.

F. Tax-Foreclosed Properties: The City's Abandoned, Blighted and Vacant Properties Committee focuses on issues that negatively impact development of tax-foreclosed properties and the process of tax foreclosure in an effort to find solutions to the problems and enable future development of the properties. State legislation is being developed to better address the problems that tax-foreclosed properties currently present.

G. Blighted and Problem Property Initiatives: The City has adopted ordinances that streamline remediation of blighted and problem properties. The Abandoned, Blighted and Vacant Properties Committee will focus on efforts to alleviate vacant buildings and blight in neighborhoods



ACTION PLAN

Other Actions 91.220(k)

18. Describe the actions that will take place during the next year to address obstacles to meeting underserved needs, foster and maintain affordable housing, evaluate and reduce the number of housing units containing lead-based paint hazards, reduce the number of poverty-level families develop institutional structure, enhance coordination between public and private agencies (see 91.215(a), (b), (i), (j), (k), and (l)).
19. Describe the actions to coordinate its housing strategy with local and regional transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.



ACTION PLAN

Other Actions

18-19

Actions To Be Undertaken

During the 2014-2015 program year the City of Knoxville will follow the strategies outlined in the *Five-Year Consolidated Plan* and pursue activities intended to reduce homelessness, foster decent affordable housing, reduce poverty, and otherwise improve our community.

Foster and Maintain Decent Affordable Housing

The City will meet this requirement through the following activities:

- Funding and/or operating emergency, minor, and major home improvement programs for both homeowners and renters
- Development of affordable rental housing
- Homeownership down payment assistance for CHDO-assisted housing
- Acquisition of blighted properties for reuse as affordable housing
- Development of affordable housing by Community Development Housing Organizations (CHDOs)
- Pursuing remediation of chronic problem properties
- Conduct fair housing education and outreach
- Development of new home construction in a low- to moderate-income neighborhood with the HOME-funded Lonsdale Model Block Program

In addition to these specific programs, the City will continue to work with non-profit housing providers and public housing agencies and participate in appropriate committees and boards, such as the Affordable Housing Trust Fund Board.

Lead-Based Paint

The City was awarded a Lead Hazard Reduction Grant from HUD's Office of Healthy Homes and Lead Hazard Control in the amount of \$2.5 million to be spent by July 2016. With these funds, the City was able to add lead testing and abatement to all home repair programs.

The City will continue to implement the HUD regulations for elimination of lead based paint hazards. The program to identify lead based paint hazards is an integral part of the total process for housing rehab. All pre-1978 built

houses, which are identified for the rehab program, receive a lead hazard screen/lead based paint testing to determine if a lead hazard exists. If a lead hazard is identified, a Risk Assessment is prepared to define the hazard(s) and to define the remediation necessary to eliminate hazard(s). The actual remediation work is accomplished as a part of the rehab work. All lead based paint inspections and Risk Assessments are prepared by third party subcontractors. These actions will reduce the number of housing units in the City with lead-based paint hazards and increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.

The City has Rehab Specialist staff certified as Healthy Homes Specialist with the National Environmental Health Association. Healthy Homes measures are carried out on rehab projects to reduce the number of health and safety risk within the homes.



PROGRAM SPECIFIC REQUIREMENTS

CDBG 91.220(I)(1)

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.
2. Program income received in the preceding program year that has not been included in a statement or plan.
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.
4. Surplus funds from any urban renewal settlement for community development and housing activities.
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.
6. Income from float-funded activities.
7. Urgent need activities, only if the jurisdiction certifies.
8. Estimated amount of CDBG funds that will be used for activities that benefit persons of low- and moderate income.



PROGRAM SPECIFIC REQUIREMENTS

CDBG

1-8

The City receives program income from HOME and CDBG activities in the form of loan repayments from persons who have received CDBG or HOME funded loans for downpayment, housing rehabilitation, or similar assistance and from sales proceeds from acquisition and disposition activities. These funds are revolved for future loans or other HOME/CDBG eligible activities to benefit the community. The City projects \$150,000 in CDBG and \$696,000 in HOME program income for 2014.

The City has no Section 108 loan guarantee proceeds.

The City receives program income from a State House Grant that it uses for the development of affordable housing.

The City is not proposing any urgent need activities in this Plan.

It is estimated that all the CDBG funds allocated this year will serve persons with low to moderate incomes and/or neighborhoods with a high percentage of LMI citizens.



PROGRAM SPECIFIC REQUIREMENTS

HOME 91.220(I)(1)

1. Describe other forms of investment. (See Section 92.205) If grantee (PJ) plans to use HOME funds for homebuyers, did they state the guidelines of resale or recapture, as required in 92.254.
2. If grantee (PJ) plans to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, state its refinancing guidelines required under 24 CFR 92.206(b).
3. Resale Provisions -- For homeownership activities, describe its resale or recapture guidelines that ensure the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4).
4. HOME Tenant-Based Rental Assistance -- Describe the local market conditions that led to the use of a HOME funds for tenant based rental assistance program.

If the tenant based rental assistance program is targeted to or provides a preference for a special needs group, that group must be identified in the Consolidated Plan as having an unmet need and show the preference is needed to narrow the gap in benefits and services received by this population.
5. If a participating jurisdiction intends to use forms of investment other than those described in 24 CFR 92.205(b), describe these forms of investment.
6. Describe the policy and procedures it will follow to affirmatively market housing containing five or more HOME-assisted units.
7. Describe actions taken to establish and oversee a minority outreach program within its jurisdiction to ensure inclusion to the maximum extent possible, of minority and women, and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate activities of the participating jurisdiction to provide affordable housing under the HOME program or any other Federal housing law applicable to such jurisdiction.
8. If a jurisdiction intends to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds, state its financing guidelines required under 24 CFR 92.206(b).



PROGRAM SPECIFIC REQUIREMENTS

HOME

1-8

Other Forms of Investment

The City does not plan to use forms of investment other than those specified in 24 CFR 92.205(b).

Homebuyer Recapture/Resale Guidelines

The City uses recapture provisions to ensure affordability in the HOME assisted homeownership program. When HOME funds are used to assist homeownership, the housing will be subject to the following affordability period:

- Five years when the per unit HOME investment is under \$15,000
- Ten years when the per unit HOME investment is \$15,000-\$40,000
- 15 years when the per unit HOME investment exceeds \$40,000

If the house is sold by the homeowner during the affordability period, the City will recapture HOME funds out of net proceeds as follows:

- The amount of HOME investment to be recaptured will be reduced on a pro-rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
- If the net proceeds are not sufficient to recapture the balance owed on the HOME investment as determined above plus enable the homeowner to recover the amount of the homeowner's downpayment, the City and the owner will share the net proceeds.
- The net proceeds are the sales price minus loan repayment (other than deferred payment loan HOME funds) and closing costs. The net proceeds will be divided proportionally according to the following formulas:

HOME investment					
HOME investment + Homeowner downpayment	X	Net proceeds	=		Amount of HOME to be recaptured
Homeowner investment					
HOME investment + Homeowner downpayment	X	Net proceeds	=		Amount to Homeowner

A forgivable loan will be used to finance the HOME assistance to the homebuyer. The HOME balance will be forgiven in full at the end of the affordability period if the homebuyer remains the owner and the occupant for the full period. Additional HOME funds may be provided as a fully amortizing and repayable loan.

The recapture provision will be enforced through the homebuyers financing agreement with the City, which will be secured by a Deed of Trust.

The recaptured amount of HOME funds will be used for HOME eligible activities.

Refinancing of Existing Debt

The City does not intend to use HOME funds to refinance existing debt that is secured by multi-family housing during this program year.

Tenant Based Rental Assistance

The City does not plan to use HOME funds for tenant-based rental assistance during this program year.

Affirmative Marketing

The City will meet affirmative marketing requirements for HOME assisted projects containing five or more units through the following policy and procedures:

1. The City will inform the public, owners, and potential tenants about Federal Fair Housing laws and the City's Affirmative Marketing Policy through:
 - The City's Fair Housing Program. The City Community Development Department will educate and inform the public of their fair housing rights and options under the City's Fair Housing Ordinance and any other applicable laws. The City also provides counseling and information to citizens regarding rights and remedies under the Fair Housing Law.
 - The equal housing opportunity logo, slogan, or statement will be used in all media announcements, requests for proposals, and informational and application materials.
 - A summary of the policy will be included in informational materials for owners and the policies and procedures will be discussed.
 - Potential tenants will be informed in general through the methods mentioned above.
2. The City will inform developers of new-construction housing of the accessibility requirements of both the Federal Fair Housing Act (24 CFR 100.205) and Section 504 of the Rehabilitation Act of 1973 (24 CFR 8.20, et seq.) for new construction. This is communicated to developers through the contract agreement process.

For newly constructed housing using HOME funds, housing units must meet accessibility requirements. In addition, all replacement homes must meet visitability standards at a minimum (third party certification such as THDA's Flexible Homes Concepts is highly encouraged). Visitable features must be incorporated in all new construction to allow persons to "age in place" and provide accessibility for all.

All sites for any new rental housing units funded under HOME are reviewed and approved for site and neighborhood standards and environmental concerns.

3. During the required affordability period, owners of housing facilities containing five or more units must:
 - Use the equal housing opportunity logo or slogan in advertising vacant units.
 - Advertise the vacancy in the *Knoxville News Sentinel* if more than four vacancies exist in a project and the owner does not have a sufficient waiting list to fill the vacancies, or list the property with KCDC's list of properties available for Rental Assistance Certificate holders.
 - Inform and solicit applications from persons not likely to apply for the housing without special outreach. This will be done by notifying the Knoxville Area Urban League (KAUL) when it is known that a vacancy will occur and/or provide the unit as a referral for tenants on KCDC's waiting list.
4. In order to document affirmative marketing efforts and results, the following records will be kept:

Owners

- Data on the racial, ethnic, and gender characteristics of tenants occupying units before rehabilitation, tenants moving from and into units after rehabilitation, applicants for tenancy, and how the applicants heard about the housing opportunities.
- Information regarding applicants for initial occupancy must be provided to the City within 120 days following completion of rehabilitation.
- During the affordability period, owners must keep copies of newspaper advertisements to fill vacancies and information on vacancies. The owner may submit copies of these advertisements directly to the City.

City

- The racial, ethnic, and gender characteristics of owners of projects rehabilitated and applicants for HOME funds.
 - Data indicating the race and ethnicity of households displaced as a result of program activities, and if available, the address and census tract of the housing unit to which each displaced household relocated.
 - Copies of advertisements or meeting notices that the City places in the newspaper or relevant articles appearing in the paper.
 - Samples of informational materials.
5. Effectiveness of the City's affirmative marketing efforts will be assessed as follows:
- To determine if good faith efforts have been made, owners will be asked to provide information and documentation on the efforts they have taken regarding vacancies and affirmative marketing for the past year at the time of the annual review of rental activities. If the City determines that the required actions have been carried out, the City will assume that the owners have made good faith efforts to carry out these procedures.
 - To determine results, the City will assess property owner's affirmative marketing efforts in relation to whether or not minority and female headed households have applied for and/or become tenants in the rehabilitated units. If the City determines that they have, the City will assume that owners have carried out affirmative marketing procedures effectively.
- If different racial, ethnic, and gender groups are not represented, the City will review the owner's affirmative marketing procedures to determine what changes, if any, may be made to improve effectiveness.
6. The City will take corrective action if it finds that an owner has not made a good faith effort to carry out the affirmative marketing procedures or fails to maintain the required records on tenants and applicants for tenancy. If, after discussing with the owner ways to improve procedures, the owner continues to fail to meet the affirmative marketing requirements, the City will disqualify the owner from future participation in the HOME Program.

The City will carry out its assessment activities and will complete a written assessment of affirmative marketing efforts in time to report the results in its annual performance report to HUD.



PROGRAM SPECIFIC REQUIREMENTS

HOPWA 91.220(l)(3)

1. One year goals for the number of households to be provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family, tenant-based rental assistance, units provided in housing facilities that are being developed, leased, or operated.

The City of Knoxville Community Development Department does not receive HOPWA funds.



OTHER NARRATIVES AND ATTACHMENTS

Include any action plan information that was not covered by a narrative in any other section. If optional tables are not used, provide comparable information that is required by consolidated plan regulations.

OTHER NARRATIVES & ATTACHMENTS

Affirmatively Furthering Fair Housing

In 2010 the City completed an *Analysis of Impediments to Fair Housing Choice* for the 2010-2015 Consolidated Plan. The document is available on the City of Knoxville web-site. Activities that affirmatively further fair housing include:

- Counseling and referrals as necessary to the Tennessee Human Rights Commission.
- Education and outreach to residents, housing providers, lenders, social/human service and general community.
- Dissemination of information to the local news media on fair housing and equality issues and activities.
- Participation in training sessions, workshops, and conferences.
- Visible placement of equal opportunity housing logo on relevant City publications and housing programs that use City, CDBG, HOME, and ESG funding.
- Staff support and/or technical assistance to the Equality Coalition for Housing Opportunity, the Council On Disability Issues, Disability Resource Center, Knoxville-Knox County Homeless Coalition, and Dr. Martin Luther King Jr. Commemoration Commission.
- Operation and/or funding of programs which promote housing opportunities, such as homeownership education and downpayment assistance, housing improvements, and new housing development.
- Development of the Fair Housing and Equity Assessment, FHEA, for the Knoxville metropolitan statistical area, MSA, as required and funded by the Sustainable Communities Regional Planning Grant and documenting issues that impact housing equality.
- Monitoring and studying fair housing and equal opportunity compliance.
- Promoting applicable civil rights legislation and regulations relative to fair housing and equal opportunity.



APPENDICES

Appendix A – Table 2C

Appendix B – HUD Individual Project Worksheets

Appendix C – Citizen Participation

Appendix D - HUD Certifications

Appendix A. Table 2C Summary of Specific Objectives

Grantee Name: City of Knoxville, Tennessee

Availability/Accessibility of Decent Housing (DH-1)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	% Completed Cumulative
DH-1 Specific Objective: Decent Housing Outcome: Availability/Accessibility							
DH 1.1	Improve the quality and energy-efficiency owner-occupied housing through the rehabilitation or replacement of sub-standard housing for low-income families.	CDBG HOME PRIVATE	Number of Owner-Occupied Units Rehabilitated or replaced	2010	30	13	9 %
				2011	27	20	22 %
				2012	23	16	33 %
				2013	14		
				2014	15		
MULTI-YEAR GOAL					150	49	%
DH 1.2	Increase the supply of quality, energy-efficient, affordable rental units through rehabilitation or new construction.	CDBG HOME NSP 1 PRIVATE	Number of Units Constructed/ Rehabilitated	2010	11	0	0 %
			Number Affordable Units	2011	0	12	24 %
				2012	0	0	%
				2013	22		%
				2014	18		%
MULTI-YEAR GOAL					50	12	
DH 1.3	Increase the supply of affordable owner occupied and affordable rental housing through new construction and rehabilitation by local CHDOs.	HOME CHDO set-aside	Units constructed or rehabilitated & sold to low-mod homebuyers	2010	5	30	120 %
			Affordable rental units	2011	7	11	164 %
			Constructed or rehabilitated	2012	12	5	184 %
				2013	3		%
				2014	9		%
MULTI-YEAR GOAL					25	46	%
DH 1.4	Improve the quality, safety, functionality, and accessibility of homes owned by LMI homeowners.	CDBG	Number of homeowners assisted with emergency home repairs, and accessibility improvements	2010	200	159	15 %
				2011	145	96	26 %
				2012	145	113	37 %
				2013	150		%
				2014	127		%
MULTI-YEAR GOAL					1000	368	

DH 1.5	Improve access to fair and accessible housing, and promote fairness, accessibility and inclusion through Fair Housing education and training.	CDBG FHAP	Number of completed investigations and number of training events	2010	15	10	17 %
				2011	17	7	28 %
				2012	17	14	52 %
				2013	17		%
				2014	20		%
			MULTI-YEAR GOAL		60	31	
DH 1.6	Increase the supply of permanent supportive housing for persons who are chronically homeless through rehabilitation or new construction.	HOME CDBG NSP-1	Number of supportive housing units developed	2010	105	57	29 %
				2011	0	48	53 %
				2012	0	0	%
				2013	0	0	%
				2014	0		%
			MULTI-YEAR GOAL		200	105	%
DH 1.6	Provide supportive services for persons who are homeless or at risk of becoming homeless.	ESG CDBG HPRP	Number of persons served	2010	2000	5890	59 %
				2011	2000	2430	83 %
				2012	2000	4098	124 %
				2013	2000		%
				2014	2000		%
			MULTI-YEAR GOAL		10,000	12,418	%
DH 1.7	Provide supportive services, operations and essential services for homeless transitional housing facilities with the goal of placing persons in permanent housing.	ESG CDBG HPRP	Number of persons placed in permanent housing	2010	100	106	21 %
				2011	100	144	50 %
				2012	100	201	90 %
				2013	100		%
				2014			%
			MULTI-YEAR GOAL		500	451	%

Affordability of Decent Housing (DH-2)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
DH-2	Specific Objective: Decent Housing Outcome: Affordability						
DH 2.1	Increase homeownership opportunities for low- and moderate-income households through down-payment assistance.	CDBG HOME PRIVATE	Number of LMI homebuyers assisted with down-payment assistance	2010	10	19	38 %
				2011	15	6	50 %
				2012	12	5	60 %
				2013	15		%
				2014	8		%
				MULTI-YEAR GOAL			
DH 2.2	Increase the number of LMI home buyers through credit counseling, homeownership training and home maintenance training.	CDBG HOME PRIVATE	Number of Homebuyers trained	2010		19	19 %
				2011		6	25 %
				2012			%
				2013			%
				2014			%
				MULTI-YEAR GOAL			
DH 2.3	Improve the energy-efficiency of home-ownership and rental units for LMI residents through energy retrofits.	CDBG-R	Number of homes improved	2010	35	12	34 %
				2011	0	18	86 %
				2012	0		%
				2013	0		%
				2014	0		%
				MULTI-YEAR GOAL			

Sustainability of Decent Housing (DH-3)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
DH-3	Specific Objective: Decent Housing Outcome: Sustainability						
DH 3.1	Improve the quality and appearance of blighted and/or unsightly homes and their impact on the neighborhood through acquisition, rehabilitation, historic preservation, or façade improvements.	CDBG EZ PI	Number of homes improved.	2010	10	4	8 %
				2011	5	20	48 %
				2012	12		%
				2013	0		%
				2014	2		%
MULTI-YEAR GOAL					50	39	%

Availability/Accessibility of Suitable Living Environment (SL-1)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
SL-1	Specific Objective: Suitable Living Environment Outcome: Availability/Accessibility						
SL 1.1	Improve neighborhoods by supporting quality facilities and services available to the public.	CDBG	Number of park improvements.	2010		0	0 %
				2011	2	0	0 %
			Number of facility improvements	2012	0		%
				2013	0		%
				2014	0		%
MULTI-YEAR GOAL					6	0	

Sustainability of Suitable Living Environment (SL-3)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
SL-3	Specific Objective: Suitable Living Environment Outcome: Sustainability						
SL 3.1	Strengthen neighborhoods by increasing the capacity of resident and stakeholder –led organizations and by providing planning, design and other technical assistance.	CDBG City	Number of organizations assisted with technical assistance	2010	15	24	48 %
				2011	12	14	76 %
				2012	12	15	106 %
				2013	12		%
				2014	12		%
			MULTI-YEAR GOAL				
SL 3.2	Improve the safety and livability of neighborhoods through redevelopment and revitalization.	CDBG	Number of Redevelopment Areas and Revitalization Plans initiated/continued	2010	3	4	66 %
				2011	3	1	83 %
				2012	3	5	167 %
				2013	2		%
				2014	0		%
			MULTI-YEAR GOAL				

Sustainability of Suitable Living Environment (SL-3)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
SL 3.3	Mitigate the impact of blighted, problem, and foreclosed properties in LMI neighborhoods.	CDBG	Number of properties acquired	2010	10	16	18 %
				2011	12	16	36 %
			Number of properties mitigated	2012	12	11	47 %
				2013	8		%
				2014			%
MULTI-YEAR GOAL				90	43		
SL 3.4	Improve mobility and access to transportation in LMI neighborhoods	CDBG	Number sidewalk improvements	2010		0	0 %
				2011	1	0	0 %
			Number of bus shelters	2012	0		%
				2013	0		%
				2014	0		%
MULTI-YEAR GOAL				5	0		

Availability/Accessibility of Economic Opportunity (EO-1)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
EO-1	Specific Objective: Economic Opportunity Outcome: Availability/Accessibility						
EO 1.1	Increase access to economic opportunities for businesses in LMI areas through development loans.	CDBG EZ PI (BELP and BPRP)	Number of businesses assisted/	2010	2	2	80 %
			Number of jobs retained/created	2011	2	0	%
				2012	2	0	%
				2013	2		%
		Section 108 Loan Guarantee	2014	1		%	
MULTI-YEAR GOAL				5	2	%	
EO 1.2	Increase access to economic opportunities for LMI persons	CDBG	Number of persons assisted	2010			0 %
			Number of jobs obtained	2011	10		%
				2012			%
				2013	0		%
			2014	0		%	
MULTI-YEAR GOAL				50	0	%	

Sustainability of Economic Opportunity (EO-3)							
Specific Objective		Source of Funds	Performance Indicators	Year	Expected Number	Actual Number	Percent Completed
EO-3	Specific Objective: Economic Opportunity Outcome: Sustainability						
EO 3.1	Improve economically distressed areas (i.e. redevelopment areas and brown fields) by eliminating blight, improving property values, and removing constraints to private development and to cause private redevelopment and historic preservation by enhancing and expanding availability of local, state and federal incentive programs.	CDBG City	Number of façade improvements	2010	5	10	40 %
			Number of brownfields remediated	2011	4	8	72 %
				2012	5	5	92 %
				2013	3		%
			2014	2		%	
MULTI-YEAR GOAL				25	23	%	

Project Name: City of Knoxville - Section 108 Activity				
Description:	IDIS Project #: <input type="text"/> UOG Code: <input type="text"/> UOG Code			
Loan for special economic development activity to create jobs.				
Location: Downtown	Priority Need Category Select one: <input type="text" value="Public Facilities"/>			
Explanation:				
Expected Completion Date: 06/30/2012	Objective Category <input type="radio"/> Decent Housing <input type="radio"/> Suitable Living Environment <input checked="" type="radio"/> Economic Opportunity			
Specific Objectives				
Outcome Categories <input type="checkbox"/> Availability/Accessibility <input type="checkbox"/> Affordability <input type="checkbox"/> Sustainability	1 <input type="text" value="Improve the quality of owner housing"/> 2 <input type="text" value="Remediate and redevelop brownfields"/> 3 <input type="text"/>			
Project-level Accomplishments	10 Housing Units <input type="text"/>	Proposed <input type="text" value="TBD"/>	Accompl. Type: <input type="text"/>	Proposed <input type="text"/>
		Underway <input type="text"/>		Underway <input type="text"/>
		Complete <input type="text"/>		Complete <input type="text"/>
	Accompl. Type: <input type="text"/>	Proposed <input type="text"/>	Accompl. Type: <input type="text"/>	Proposed <input type="text"/>
		Underway <input type="text"/>		Underway <input type="text"/>
		Complete <input type="text"/>		Complete <input type="text"/>
	Accompl. Type: <input type="text"/>	Proposed <input type="text"/>	Accompl. Type: <input type="text"/>	Proposed <input type="text"/>
		Underway <input type="text"/>		Underway <input type="text"/>
		Complete <input type="text"/>		Complete <input type="text"/>
Proposed Outcome	Performance Measure	Actual Outcome		
01 Acquisition of Real Property 570.201(a) <input type="text"/>	Matrix Codes <input type="text"/>			
12 Construction of Housing 570.201(m) <input type="text"/>	Matrix Codes <input type="text"/>			
Matrix Codes <input type="text"/>	Matrix Codes <input type="text"/>			
Program Year 1	CDBG <input type="text"/>	Proposed Amt. <input type="text"/>	Fund Source: <input type="text"/>	Proposed Amt. <input type="text"/>
		Actual Amount <input type="text"/>		Actual Amount <input type="text"/>
	Fund Source: <input type="text"/>	Proposed Amt. <input type="text"/>	Fund Source: <input type="text"/>	Proposed Amt. <input type="text"/>
		Actual Amount <input type="text"/>		Actual Amount <input type="text"/>
	Other <input type="text"/>	Proposed Units <input type="text"/>	Accompl. Type: <input type="text"/>	Proposed Units <input type="text"/>
		Actual Units <input type="text"/>		Actual Units <input type="text"/>
	Accompl. Type: <input type="text"/>	Proposed Units <input type="text"/>	Accompl. Type: <input type="text"/>	Proposed Units <input type="text"/>
		Actual Units <input type="text"/>		Actual Units <input type="text"/>

Program Year 2	CDBG	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Fund Source:	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
Program Year 3	Fund Source:	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Fund Source:	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
Program Year 4	Other	Proposed Amt.	TBD	Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Fund Source:	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Accompl. Type:	Proposed Units	TBD	Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
Program Year 5	Other	Proposed Amt.	TBD	Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Fund Source:	Proposed Amt.		Fund Source:	Proposed Amt.	
		Actual Amount			Actual Amount	
	Accompl. Type:	Proposed Units	TBD	Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	
	Accompl. Type:	Proposed Units		Accompl. Type:	Proposed Units	
		Actual Units			Actual Units	



Community Development Department

[Appendix C. Citizen Participation Plan](#)

The City of Knoxville Community Development Department encourages the participation and input of citizens in the planning and implementation of its community development activities. This Citizen Participation Plan process applies to programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) programs of the U.S. Department of Housing and Urban Development (HUD). Through the Citizen Participation Process, citizens have the opportunity, and are encouraged, to express their views and concerns to assist in strengthening government operations with regard to community development in the City of Knoxville.

[Citizen Input](#)

The intended outcome of the consolidated planning process is the integration of the broad base of knowledge and expertise of citizens with workers in the housing and community development fields, including staff of the Community Development Department.

In partnership with neighborhoods served by Community Development, the City's Office of Neighborhoods, service provider agencies, the Council of Involved Neighborhoods and general outreach, participation by all citizens is encouraged. This includes reaching out to residents of public and assisted housing, minorities, non-English speaking persons and persons with disabilities. Persons of low- and very low-income who are residents of the Community Development Department's target areas (blighted areas in which funds are proposed to be used) will be especially encouraged to participate. Target areas are described in the Strategic Plan section of this document.

The Community Development Department in partnership with the City's Office of Neighborhoods (and with Knox County Community Development) will continue to build capacity in neighborhoods for participation in the Community Development process.

The Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Report (CAPER) are all available on the City's website (www.cityofknoxville.org) at all times for viewing. Citizens can contact the Community Development Department to receive a hardcopy of any plan or report by calling 865-215-2120.

March 5, 2014

Developed, in accordance with HUD guidelines, by the City of Knoxville
Community Development Department

This Citizen Participation Plan is designed to encourage citizens to:

- Participate in the development of the Five-Year Consolidated Plan;
- Participate in the development of the Annual Action Plans;
- Participate in any Substantial Amendments to the Consolidated and Annual Action Plan; and
- Participate in a review and comment process for the Annual Performance Evaluations and Reports the City is required to submit to the U.S. Department of Housing and Urban Development.

Information Sharing

Community Development will provide information to citizens on the amount of funds available and the range of programs, projects, services, and activities that can be undertaken, and on plans to minimize displacement and to assist any person displaced. This information is on file at the Community Development office and will be presented at the annual public hearings.

Community Development's goal is to minimize displacement of persons, and Community Development has developed a plan that defines the types and levels of assistance that is provided to a person who is displaced. Displacement might occur, for example, when a major rehabilitation project is undertaken on someone's house or apartment complex/building.

Community Development provides information to the public housing authority, Knoxville's Community Development Corporation (KCDC), about Consolidated Plan activities related to KCDC's developments and surrounding communities so that KCDC can make this information available at the annual public hearing required under the Comprehensive Grant program.

To serve all citizens, Community Development will provide Braille materials, materials recorded on audiocassettes, and interpreters for the hearing impaired with a week's prior notice of special needs. Please contact Community Development at 865-215-2120 for assistance.

Community Development is committed to meeting the needs of Limited English Proficiency (LEP) and non-English speaking residents in the case of public hearings where a significant number of non-English speaking residents are expected to participate. Foreign language interpreters and materials translated in the appropriate language will be provided with a week's prior notice of need. Please contact the Community Development Department for assistance at 865-215-2120.

Citizen Input Notification

Citizens of Knoxville will be notified about the City of Knoxville Community Development's citizen input process at least two (2) weeks ahead of any public event via fliers, letters, brochures, fact sheets, and at least one (1) week in advance via advertisements, news releases, public service announcements, feature stories, and/or display notices. Community

March 5, 2014

2

Developed, in accordance with HUD guidelines, by the City of Knoxville
Community Development Department

Development staff will also attend local events or workshops and/or neighborhood meetings to share information about the plans under review.

Community Development will organize and host at least two (2) citizen input meetings each year to access citizen's views on housing and community development needs and will respond to proposals and questions at all stages of the community development program year. At least one of these meetings will be held to get citizen input before the Five-Year Consolidated Plan is written, and at least one will be held to discuss the consolidated plan and receive feedback prior to its submission. Additional citizen input meetings may be held during the year to gather citizen input. Meetings will be at times and locations convenient to potential or actual program beneficiaries, with accommodations for persons with disabilities. Meetings are held, as much as possible, at times of day and in areas that facilitate the attendance of low- and very low-income people. Please contact the Community Development Department to request accommodations at 865-215-2120.

Draft Plan Availability for Citizen Review and Comment

When any draft Plan or Report is complete, it will be announced by the City that the Plan is open for review and public comment. A notification(s) will be advertised in the local newspaper of general circulation – the Knoxville News Sentinel – to inform the public that the draft Five-Year Consolidated Plan or draft annual Action Plan is available for review and public comment, as well as a date for a public meeting. The notification will provide a summary of the proposed plan. The notice will also be posted on the Community Development Department's website (www.cityofknoxville.org/development) and on bulletin boards at the locations below. The public notice will state that copies of the particular Plan will be available for review and comment on the Community Development Department's website and at the following locations for thirty (30) days:

City of Knoxville's Community Development Department
400 Main Street, 5th Floor
Knoxville, TN 37902

Lawson-McGhee Library
500 W. Church Avenue
Knoxville, TN 37902

Knoxville-Knox County Community Action Committee (CAC main office)
2247 Western Avenue
Knoxville, TN 37921

CAC East Neighborhood Center
4200 Asheville Highway
Knoxville, TN 37914

CAC South Neighborhood Center
522 Old Maryville Pike
Knoxville, TN 37920

Submission of Comments

The City of Knoxville Community Development Department will accept written comments via U.S. mail at Community Development Administrator, P.O. Box 1631, Knoxville, TN 37901 or by hand delivery to the Community Development Department, 400 Main Street, 5th Floor, Knoxville, TN 37902 and email to lrust@cityofknoxville.org, as well as oral comments during the public meeting.

All comments and views expressed during the citizen comment period will be considered, along with other key considerations such as the Community Development budget, in preparing and revising the Five-Year Consolidated Plan, Substantial Amendments, and Performance Reports. A summary of citizen comments will be attached to the final Five-Year Consolidated Plan, Substantial Amendment, or Annual Report.

The Community Development Department will provide citizens with a timely, substantive written response to written complaints and grievances related to the Five-Year Consolidated Plan, Substantial Amendments, or Reports, within 15 working days.

Performance Report

Citizens will have the opportunity to review and submit comment for fifteen (15) days on the Annual Performance report.

Amendments

Amendments to the Five-Year Consolidated Plan may occur in the event of a substantial change in the City's Community Development program. A substantial change is defined by federal regulation and is one or more of the following:

- A change in the national objective met by an activity;
- A change in target area (as defined in the Strategic Plan section of the Five-Year Consolidated Plan);
- For non-housing activities, a change of 10% or \$100,000, whichever is greater, in the amount to be expended on an activity; or
- For housing activities, a change of 10% or \$200,000, whichever is greater, in the amount of funds to be made available for housing activities. Changes in location for housing activities will be considered a substantial change only if there is a waiting list for the project from

March 5, 2014

Developed, in accordance with HUD guidelines, by the City of Knoxville
Community Development Department

which funds are transferred that would require an amount of funding in excess of the amount remaining in the budget for that project.

If program income for a given project is \$100,000 or more over the projected levels, either the Consolidated Plan will be amended, or the excess program income will be included in the following year's consolidated plan.

Access to Records

Community Development will provide citizens with reasonable and timely access to information and records relating to the proposed use of funds. Information and records for the past 5 years are on file at the Community Development office. For a public records request, please call 865-215-2120 or write to City of Knoxville Community Development Department, PO Box 1631, Knoxville, TN 37901-2962.

Technical Assistance

Community Development will provide technical assistance to groups representative of low- and very low-income people and special interest groups located in or serving targeted areas that request such assistance in developing proposals for any program covered under the consolidated plan. This technical assistance may take the form of workshops, site visits, referrals to other technical assistance organizations, or one-on-one assistance. For example, when Community Development posts a request for proposals for distribution of program funds, those who would like to apply are required to attend a workshop where the grant proposal is reviewed and potential grantees may ask questions about the process.



SF 424

The SF 424 is part of the CPMP Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the 1CPMP.xls document of the CPMP tool.

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

5/9/2014	62-6000326	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction City of Knoxville		TN 471014 KNOXVILLE	
400 Main Street		Organizational DUNS: 04-245-3530	
		Organizational Unit: City of Knoxville	
Knoxville	Tennessee	Department: Community Development	
37902	U.S.A.	Division	
Employer Identification Number (EIN):		County	
62-60000326		Program Year Start Date (07/01/14)	
Applicant Type:		Specify Other Type if necessary:	
City		Specify Other Type	
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
CDBG Project Titles Owner-Occupied and Rental Housing Rehabilitation, Emergency and Minor Home Repair, Fair Housing, Property Acquisition, Commercial Façade Rehabilitation, Technical Assistance, Housing Rehabilitation Administration and CDBG Administration		Description of Areas Affected by CDBG Project(s) The City of Knoxville.	
\$1,410,665	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income \$150,000		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s) \$1,560,665			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles Owner-Occupied and Rental Housing Rehabilitation, Down payment Assistance, CHDO activities, Model Block and HOME administration		Description of Areas Affected by HOME Project(s) The City of Knoxville.	
\$795,283	\$Additional HUD Grant(s) Leveraged	Describe	

\$Additional Federal Funds Leveraged	\$Additional State Funds Leveraged
\$Locally Leveraged Funds	\$Grantee Funds Leveraged
\$Anticipated Program Income \$696,000 Program Income and \$1,000,000 in HOME carryover.	
Total Funds Leveraged for HOME-based Project(s) \$2,491,283	

Housing Opportunities for People with AIDS		14.241 HOPWA
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)
\$HOPWA Grant Amount \$0	\$Additional HUD Grant(s) Leveraged	Describe
\$Additional Federal Funds Leveraged	\$Additional State Funds Leveraged	
\$Locally Leveraged Funds	\$Grantee Funds Leveraged	
\$Anticipated Program Income	Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s) \$0		

Emergency Shelter Grants Program		14.231 ESG
ESG Project Titles UT HMIS		Description of Areas Affected by ESG Project(s) The City of Knoxville.
\$0	\$Additional HUD Grant(s) Leveraged	Describe
\$Additional Federal Funds Leveraged	\$Additional State Funds Leveraged	
\$Locally Leveraged Funds	\$Grantee Funds Leveraged	
\$Anticipated Program Income	Other (Describe) \$10,117 in carryover	
Total Funds Leveraged for ESG-based Project(s) \$10,117		

Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
TN-2	TN-2	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Becky		Wade
Director	865-215-2322	865-215-2962
bwade@cityofknoxville.org	www.cityofknoxville.org	Becky Wade 865-215-2322
Signature of Authorized Representative <i>Madelaine Rogers</i> Mayor, City of Knoxville		Date Signed 4/25/14

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Madelaine Rogers 4/25/14
 Signature/Authorized Official Date

Mayor
 Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) _____, _____ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its

jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.

Madelaine Rogers 4/25/14
Signature/Authorized Official Date

Mayor
Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Marcine Rogus 4/25/14
Signature/Authorized Official Date

Mayor
Title