

City of Knoxville

Housing and Neighborhood Development Department



Annual Action Plan Public Meeting
April 26, 2023

Housing and Neighborhood Development

Kevin DuBose, Director

Linda Rust, CD Administrator

Hope Ealey, Assistant CD Administrator

Bailey Walker, CD Project Specialist

Beth Bacon, Housing Manager

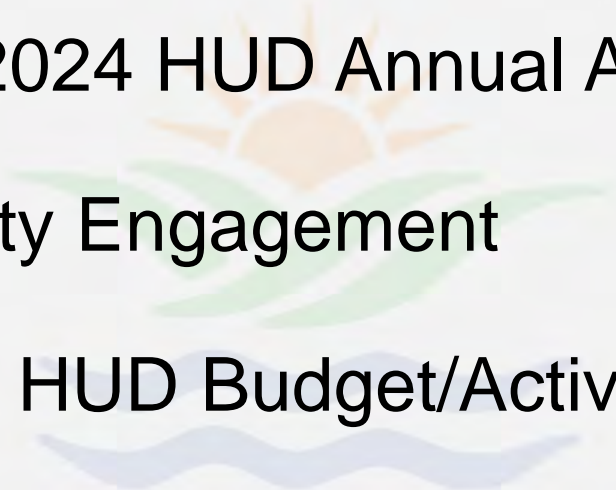
Stephanie Cook, ADA Coordinator

Mike Dunthorn, Homeless Program Coordinator

Shawn Griffith, Homeless Program Coordinator

Todd Kennedy, Construction Management Supervisor

Agenda

- I. PY2020-2024 HUD 5-Year Consolidated Plan
 - II. PY2023-2024 HUD Annual Action Plan
 - III. Community Engagement
 - IV. Proposed HUD Budget/Activities
 - V. Timeline
 - VI. Feedback / Q & A
- 

I. PY2020-2024 HUD Consolidated Plan

U.S. Department of Housing and Urban Development (HUD)
Community Planning Development (CPD) Funds:

CDBG – Community Development Block Grant

HOME – HOME Investment Partnerships Grant

ESG – Emergency Solutions Grant

- Required by HUD every 5 years, submitted August 2020
- Involved extensive community participation
- Set High / Low Priority activities for funding
- A Strategic Plan, with no funding attached to it



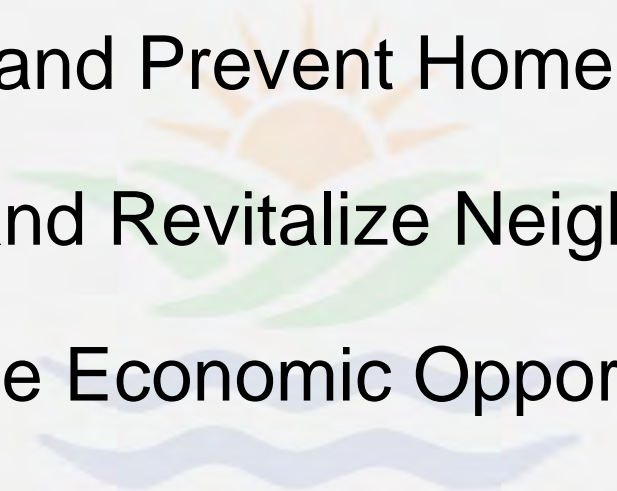
2020-2024 Five Year Consolidated Plan Priorities

Reduce and Prevent Homelessness

Stabilize and Revitalize Neighborhoods

Create Economic Opportunity

Enhance the Availability, Accessibility and
Quality of Affordable Housing



II. PY2023-2024 HUD Annual Action Plan

- An ***action*** plan is designed to meet the Goals and High Priority Objectives of the Five-Year Consolidated Plan
- Allows for re-evaluating changes in:
 - **Community Needs**
 - **Opportunities and Challenges**
 - **Funding Sources and Amounts**
- Funding is allocated annually by HUD
- Includes Consultation and Citizen Participation
- Due to HUD by **May 15**
- Year Four begins July 1, 2023, and ends June 30, 2024
- Annual report of accomplishments – CAPER
(PY2022-2023 CAPER is due to HUD by September 30)

HUD Funding

CDBG - Community Development Block Grant

\$1,664,584 for PY2023-2024

(2.1% decrease from current year)

Purpose: To develop viable urban communities by

- Providing decent housing
- A suitable living environment, and
- Expanding economic opportunities,

Principally for Low- and Moderate-Income (LMI)
People / Areas.

Up to 15% (\$249,687 for 2023-2024)
may be used for Public Services

HUD Funding

HOME Investment Partnerships

\$1,176,996 for PY2023-2024

(1.9% decrease from current year)

Purpose: To increase homeownership and affordable housing opportunities for Low- and Very Low-Income Americans, through

- Rental Housing and
- Homeownership.

At least 15% (\$176,550 for 2023-2024) must be used for Community Housing Development Organizations (CHDOs)

HUD Funding

ESG – Emergency Solutions Grant

\$149,375 for PY2023-2024

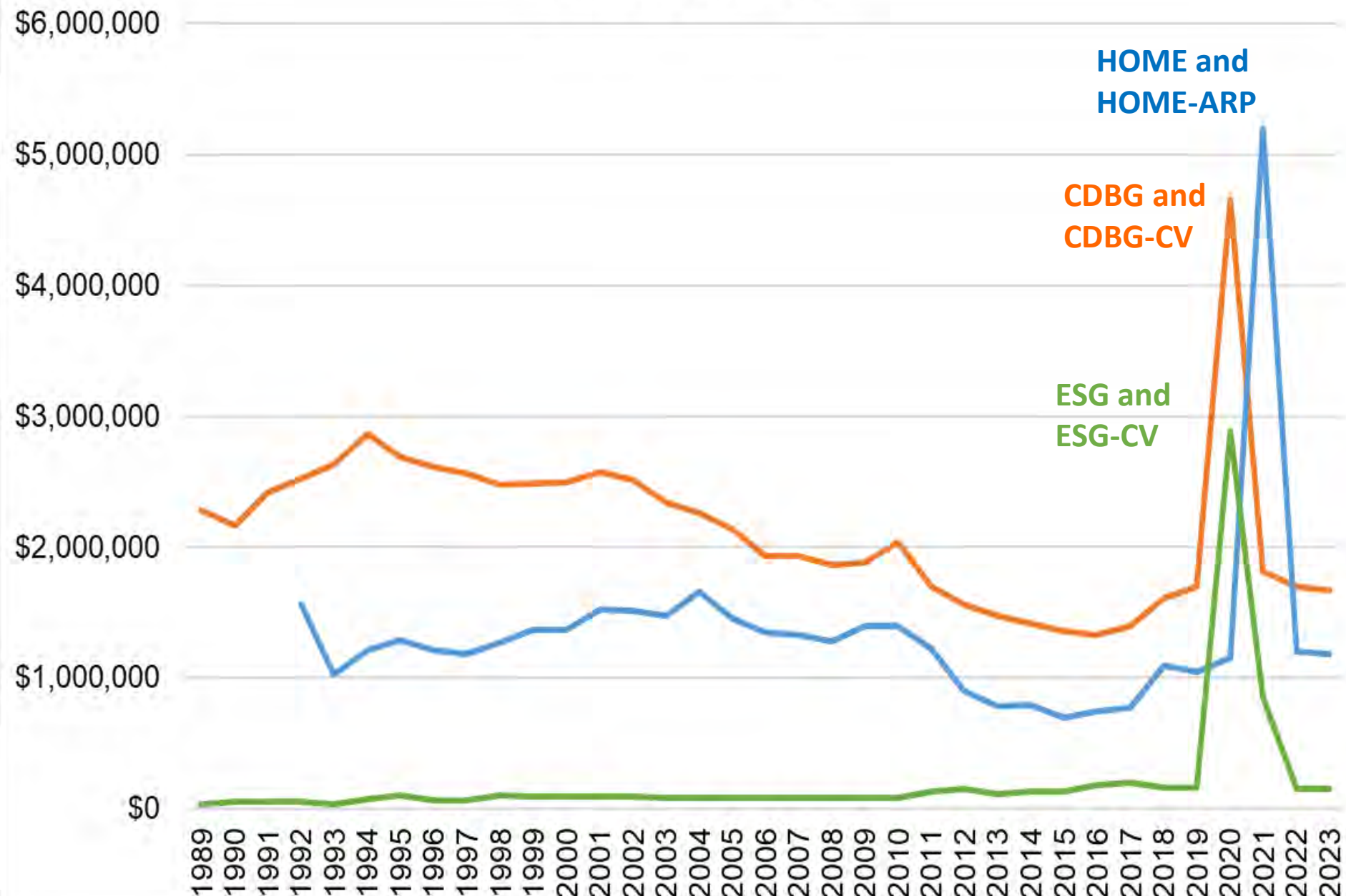
(2% decrease from current year)

The purpose of ESG is to:

- **Engage** individuals and families living on the street;
- **Improve** the number and quality of **emergency shelters**;
- Help operate shelters and provide **essential services**;
- **Rapidly re-house** individuals and families;
- **Prevent** families and individuals from becoming homeless; and
- Collect and disseminate data to better coordinate resources (**HMIS**).

No more than 60% (\$89,625 for 2023-2024)
may be used for Street Outreach and Emergency Shelter/Services

HUD Funding



PY2023-2024 HUD Annual Action Plan Budget

Estimated HUD Resources

CDBG Federal Allocation **\$1,664,584**

Prior Year Funds \$ 117,913

Estimated Program Income \$ 100,000

Total CDBG Funds \$1,882,497

HOME Federal Allocation **\$1,176,996**

Prior Year Funds \$ 1,518,286

Estimated Program Income \$ 500,000

Total HOME Funds \$3,195,282

ESG Federal Allocation (only) \$ 149,375

Total Federal Funds \$5,227,154

Other Resources - HUD COVID-19 Relief Funding

CDBG-CV

\$ 268,688

- \$268,688 available to commit
- No cap on Public Services related to COVID-19
- Deadline (80% spent by June 30, 2023) is extended until June 30, 2026 for 100%.

ESG-CV

- All funds are committed and expected to be spent by June 30, 2023.

HOME-ARP

\$1,176,859

- Affordable housing and services to meet the needs of people experiencing or at-risk of experiencing homelessness
- **\$4,076,859** Allocated to the City of Knoxville (through 9/30/2030)
- **Callahan Flats (PSH)** **\$2,900,000**
- **Supportive Services for PSH** **\$1,000,000**
(not yet under contract)
- **Administration** **\$ 176,859**

Anticipated Local Funding



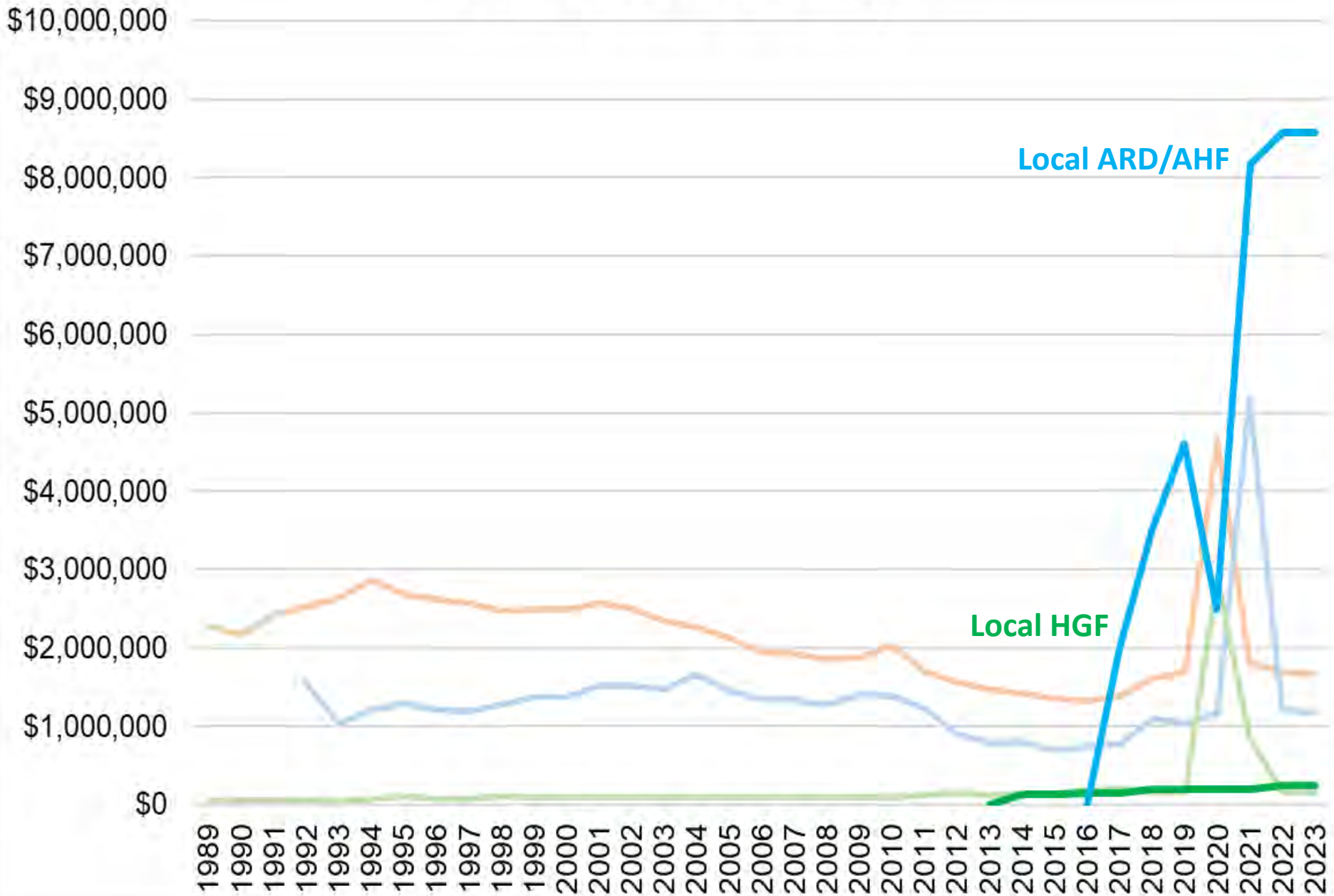
Knoxville Affordable Housing Fund \geq \$5M / Year

- Launched July 2021 / \$50 M over 10 Years
- Affordable Rental Development Fund - \$2.5 M (PY2022)
 - \$20.1 M since July 2017
- Affordable Housing Trust Fund/East Tennessee Foundation
 - \$9.5 M since 1993 (\$200,000 in PY2022)

Homeless General Funds \$240,000 (PY2022)

- Provides Required Match for HUD ESG
- \$1,583,617 since 2014

HUD + Local Funding



III. Community Engagement

Consultation with Community Partners

- Affordable Housing Needs
 - (1) Affordable Housing Stakeholders - 28 participants
 - (2) Knoxville's AHF Advisory Committee - 5 participants
- Homelessness Needs - 32 participants
- Non-Housing Community Development Needs – 9 participants
 - Economic development, public service, public facility and infrastructure improvement needs
- Sustainability – 4 participants
- April 28 – Affordable Housing Fund Advisory Committee, *# participants*

Community Engagement

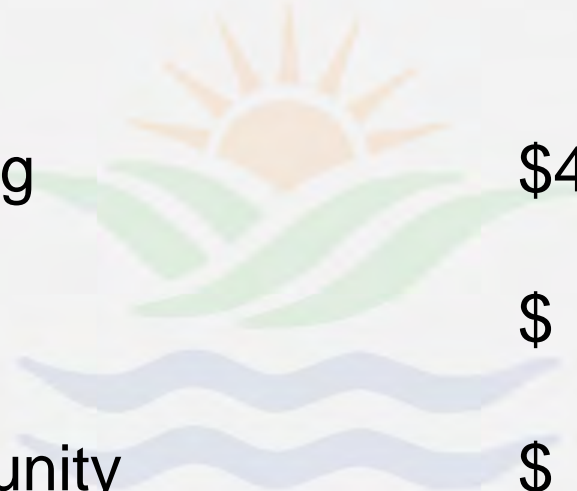
Public Participation

- January 31, 2023, Public Meeting #1 – 20 participants
- 30-day Public Comment Period (March 31 – May 1, 2023)
- April 26, 2023, Public Meeting #2 – # *participants*

More than 90 (unduplicated, non-City staff) people have participated in the development of the plan, so far. We'll count tonight's participation for the final plan.

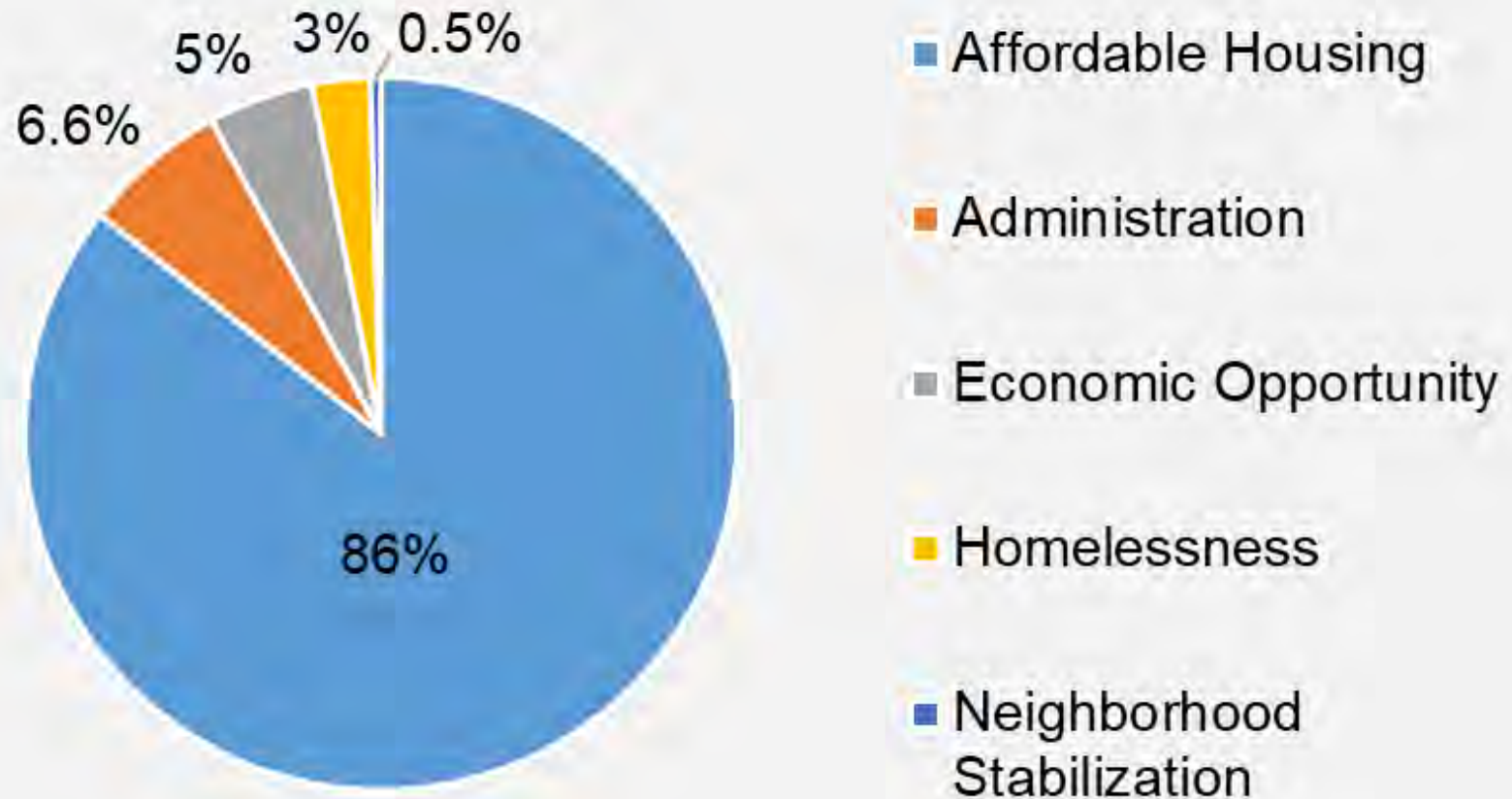
IV. PY2023-2024 HUD Annual Action Plan Proposed Budget - Activities

Total HUD Budget Estimate \$5,227,154



Affordable Housing	\$4,470,176	86 %
Homelessness	\$ 138,172	3 % *
Economic Opportunity	\$ 249,687	5 %
Neighborhood Stabilization	\$ 25,000	<0.5%
Administration (CDBG & ESG)	\$ 344,119	6.6%

PY2023-2024 HUD Annual Action Plan Proposed Budget - Activities



- CDBG
- HOME

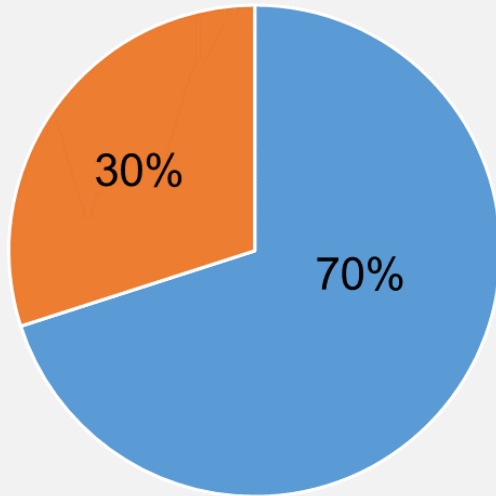
PY2023-2024 Annual Action Plan

Total HUD Budget Estimate: \$5,227,154

<u>Affordable Housing</u>	<u>\$4,470,176</u>	<u>185 units</u>
Owner-occupied Rehab & Dev.	\$2,903,670	149 units
▪ Owner-occupied Rehabilitation	\$1,523,670	10 units
▪ Emergency/Minor Home Repairs	\$ 490,000	73 units
▪ CHDOs (38% vs 15%)	\$ 450,000	5 units
▪ Accessibility Modifications	\$ 260,000	52 units
▪ Down Payment Assistance	\$ 180,000	9 units
Rental Rehab & Development	\$ 985,000	36 units
▪ Rental Rehab & Development	\$ 960,000	31 units
▪ Accessibility Modifications	\$ 25,000	5 units
Housing Project Delivery	\$ 581,506	
▪ CDBG	\$ 413,806	
▪ HOME (10% cap + 10% of PI)	\$ 167,700	

PY2023-2024 Annual Action Plan

Affordable Housing Breakdown

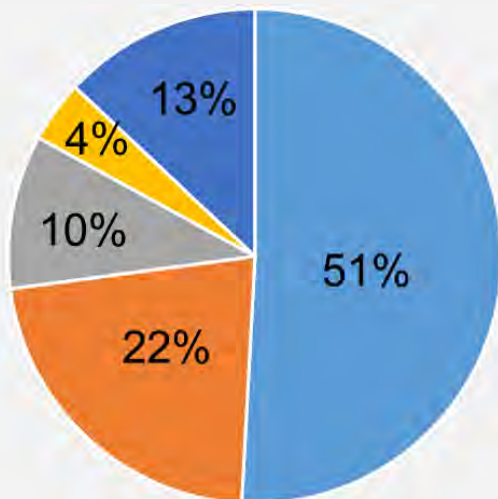


- Owner-Occupied Housing Programs
- Rental Housing Programs

Rental Housing

New development is funded primarily through local AHF / ARD funds.

100% of HUD-funded activities are rehab/development.



- Owner-Occupied Housing Rehab (source of PI)
- Rental Housing Rehab
- CHDOs (New/Rehab)
- Down Payment Assistance
- Housing Project Delivery

- CDBG
- ESG

PY2023-2024 Annual Action Plan

Total HUD Budget Estimate: \$5,227,154



<u>Homelessness</u>	<u>\$138,172</u>	<u>280 people</u>
Rapid Re-Housing Services	\$138,172	280 people
<u>Neighborhood Stabilization</u>	<u>\$ 25,000</u>	
Design & Technical Assistance	\$ 25,000	6 orgs.

Note: Transforming Western set-aside (Public Facility Improvement)

- CDBG
- ESG

PY2023-2024 Annual Action Plan

Total HUD Budget Estimate: \$5,227,154

Economic Opportunity \$249,687** 114 people

**the full amount of the 15% CDBG
Public Services cap

- Construction Career Ladder:
Job Training and Support for LMI
(0-80% AMI) individuals seeking
construction jobs. \$212,687 79 people

- Workforce Transportation Assistance \$ 37,000 35 people

Administration \$344,119

- CDBG (20% cap) \$332,916
- ESG (7.5% cap) \$ 11,203

Activities Not Included in the Annual Action Plan

HUD CARES Act CDBG-CV

- \$268,688 available
- No cap on Public Services related to COVID-19
- Deadline is extended until June 30, 2026.

Local Homeless General Funds

- \$240,000 (2022)
- When ESG-eligible, provide required match for HUD ESG

Budget for PY2023-2024

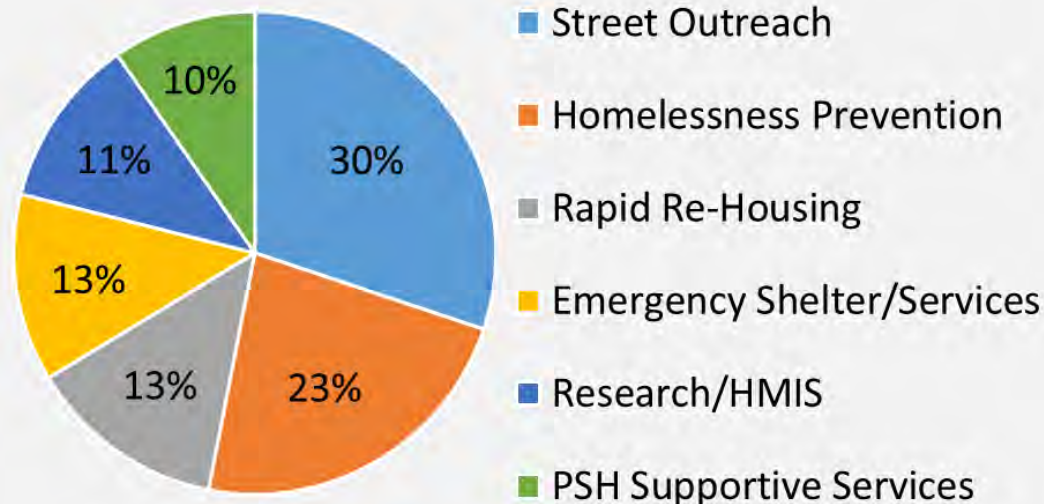
\$508,688

434 people

▪ Emergency Shelter/Services	\$168,475	285 people
▪ Homelessness Prevention	\$120,000	90 people
▪ Rapid Re-Housing	\$ 39,245	14 people
▪ HMIS	\$ 5,280	
▪ Mental Health Care/Screenings	\$ 25,000	25 people
▪ CDBG-CV Admin	\$150,688	

PY2023-2024 Homeless Services Activity Breakdown From All Sources

Service Category	HUD Funds \$231,172		City of Knoxville Funds \$1,107,800		Total
	ESG	CDBG-CV	HGF	HGF-OOH	
Service Category	\$138,172	\$93,000	\$240,000	\$867,800	\$1,338,972
Street Outreach				\$403,300	\$403,300
Homelessness Prevention		\$60,000	\$60,000	\$187,500	\$307,500
Rapid Re-Housing	\$138,172		\$39,245		\$177,417
Emergency Shelter/Services		\$33,000	\$135,475		\$168,475
Research/HMIS			\$5,280	\$147,500	\$152,780
PSH Supportive Services				\$129,500	\$129,500



Activities Not Included in the Annual Action Plan

HOME-ARP

- Affordable housing and services to meet the needs of people experiencing or at-risk of experiencing homelessness
- \$4,076,859
- Through 9/30/2030
- The City's HOME-ARP Allocation Plan prioritizes **PSH**

Budget

- | | | |
|--|--------------------|----------------|
| ▪ Callahan Flats (PSH) | \$2,900,000 | 58 PSH units |
| ▪ Supportive Services for PSH
(not yet under contract) | \$1,000,000 | ~58-110 people |
| ▪ Administration | \$ 176,859 | |



Since December 2019, the City has invested \$18.7 M in local AHF/ARD funds to develop 1,346 affordable rental housing units. 977 units are completed and 369 units are underway:

Apartment Community	New Units	Total Cost	ARD\$ Committed	Status
Inskip Flats (Families)	66	\$17,016,834	\$1,980,000	Underway
First Creek at Austin (PSH)	161	\$56,044,488	\$1,500,000	Underway
Central Terrace (Families)	112	\$29,626,411	\$2,065,000	Underway
Callahan Flats (Families)	30	\$25,690,697	\$ 900,000	CC Approved 4/18/23

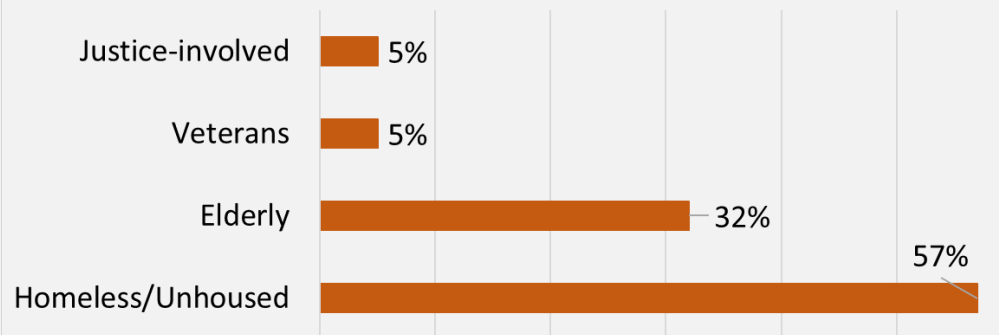
Beginning July 2021, the City committed \$50M over 10 years

Applications for an additional 589 (32 PSH) units have been approved for funding (pending Council approval) in PY2023-2024.

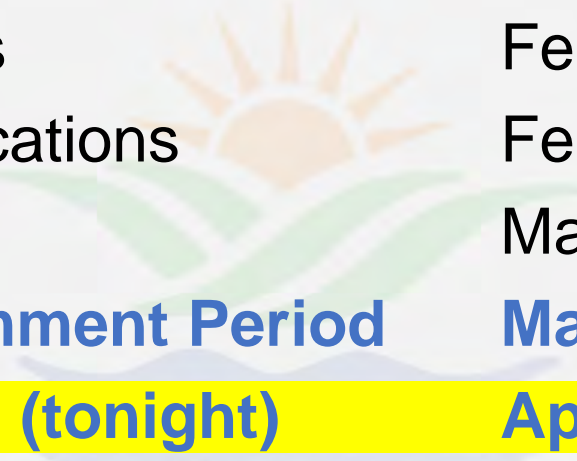
Permanent Supportive Housing (PSH) (Last 4 years)

Apartment Community	New Units	Source of Funding	\$ Committed	Status
Dogwood Springs (Elderly)	50	City ARD	\$1,500,000	Completed 2023
Caswell Manor (Homeless/Unhoused)	48	City ARD	\$1,440,000	Completed 2023
Dogan-Gaither Flats (Justice-involved)	16	City ARD	\$480,000	Completed 2023
First Creek at Austin (Elderly)	161	City ARD	\$1,500,000	Underway
Callahan Flats (Homeless/Unhoused)	58	HOME-ARP	\$2,900,000	Underway
Development TBA (Homeless/Unhoused)	58-110	HOME-ARP S	\$1,000,000	Pending
Liberty Place (Veterans)	32	City ARD	\$500,000	Pending
Total	423-475	City ARD HUD	\$5,420,000 <u>\$3,900,000</u> \$9,320,000	114 Completed 219 Underway 90-142 Pending

Funds Spent on PSH by Population



V. PY2023-2024 Annual Action Plan Timeline



Consultation (4 Meetings)	January 2023
Public Meeting #1	January 31
Application Process	February 1 - 22
HUD Notice of Allocations	February 27
Draft AAP released	March 31
30-day Public Comment Period	March 31 – May 1
Public Meeting #2 (tonight)	April 26
Consultation w/AHF Adv. Comm.	April 28
City Council Review / Vote	May 2
Anticipated Submission Date	May 12
Due to HUD	May 15, 2023

VI. Feedback and Q & A



Comments may be shared through
May 1, 2023

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or

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Thank you for joining us!

www.knoxvilletn.gov/development