



CITY OF KNOXVILLE
INDYA KINCANNON, MAYOR

Housing and Neighborhood Development
Department

Kevin DuBose, Director

PY2022-2023

**Consolidated Annual Performance and
Evaluation Report (CAPER)**

September 13, 2023

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

Community Development Block Grant (CDBG)

HOME Investment Partnerships (HOME) and

Emergency Solutions Grant (ESG)

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Program Year (PY) 2022 (2022-2023) was the third year of the PY2020-2024 Consolidated (strategic) Plan period and the third year coping with the impact of the coronavirus/COVID-19 pandemic and its economic consequences.

The City of Knoxville outlined certain goals and high priority objectives (see Attachment 1) in its five-year Consolidated Plan to be addressed through its annual allocations of U.S. Department of Housing and Urban Development (HUD) funding. The plan was developed through an extensive community engagement process in the summer of 2019, prior to the pandemic. As circumstances changed with the onset of COVID-19 and the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, HUD allocated supplemental funds to grantees, including the City of Knoxville. HUD also provided waivers and flexibility to its funding programs. The City addressed these additional funds and the needs they would meet, in substantial amendments to its PY2019-2020 Annual Action Plan. The American Rescue Plan Act of 2021 (ARPA) provided additional funds to state and local participating jurisdictions that qualified for annual HOME Investment Partnerships Program allocations, including the City of Knoxville. The City completed a HOME-ARP Allocation Plan in October 2022, and it was approved by HUD in December 2022. The City addressed the use of the HOME-ARP funds and the needs they would meet, in a substantial amendment to its PY2021-2022 Annual Action Plan. The 2019-2020 Annual Action Plan, 2020-2024 Consolidated Plan, 2021-2022 Annual Action Plan, and the amendments are all available at www.knoxvilletn.gov/development under the “Reports and Plans” tab.

Priority community needs, listed as Goals in the sections below, provide the framework for describing the accomplishments in the 2022-2023 program year that began July 1, 2022, and ended June 30, 2023. Included are activities funded with HUD Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs as well as CARES Act supplemental HUD funds (CDBG-CV and ESG-CV) intended to *prevent, prepare for, and respond to COVID-19*. Other funds, including local funds for affordable housing and homelessness contributed by the City and State of Tennessee/THDA ESG-CV funds for homelessness, will also be described in the report. While 75% of HOME-ARP funds have been committed, there are no accomplishments to report this year.

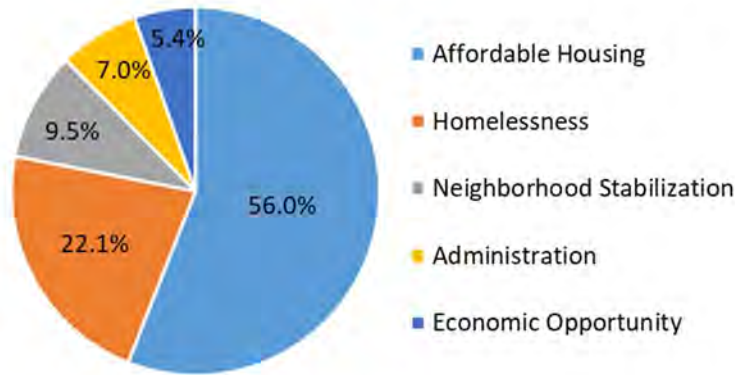
2020 – 2024 Consolidated (Strategic) Plan

The 2020-2024 Consolidated Plan set the following goals: Reduce and Prevent Homelessness; Stabilize and Revitalize Neighborhoods; Create Economic Opportunity; and Enhance the Availability, Accessibility, and Quality of Affordable Housing.

During PY2022, the City spent \$5,318,963.903 in HUD funds on the following:

- Affordable Housing - \$2,977,306.57 (56%)
- Homelessness - \$1,174,344.67 (22.1%)
- Neighborhood Stabilization - \$507,534.35 (9.1%)
- Administration - \$373,063.31 (7%)
- Economic Opportunity - \$286,715 (5.4%)

PY2022 Consolidated Plan Expenditures
HUD Funds

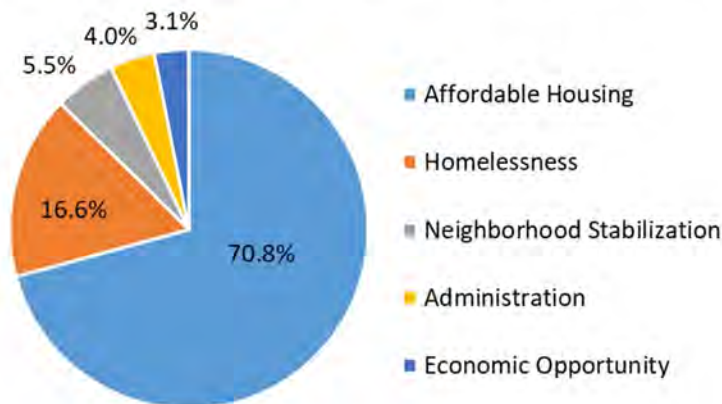


The City also spent \$3,895,858 in non-federal funds during the program year:

- \$3,542,880.50 in local Affordable Rental Development (ARD) Funds (Affordable Housing)
- \$233,445.40 in local Homeless General Funds (Homelessness)
- \$119,532.10 in THDA ESG-CV Funds (Homelessness)

When these expenditures are added, the breakdown by Consolidated Plan category is shown below.

PY2022 Consolidated Plan Expenditures - All Sources



Next, expenditures during the program year for each Consolidated Plan category will be discussed. Additional detail on funding amounts and how they were used can be found later in this document.

Goal: Enhance the Availability, Accessibility, and Quality of Affordable Housing

Affordable housing is the cornerstone of the City of Knoxville’s Consolidated Plan and is critical to:

- Preventing housing instability that leads to homelessness;
- Reducing and shortening length of homelessness;
- Stabilizing and revitalizing neighborhoods; and
- Creating economic opportunities.

The City’s Housing and Neighborhood Development department (HND) coordinates the City’s affordable housing development and rehabilitation programs. During the program year, HUD HOME and CDBG funds (shown in blue below) and local Affordable Rental Development (ARD) funds (shown in orange below) were used to accomplish the goal. The chart below shows affordable housing activity expenditures from all funding sources during PY2022.



HUD Funds

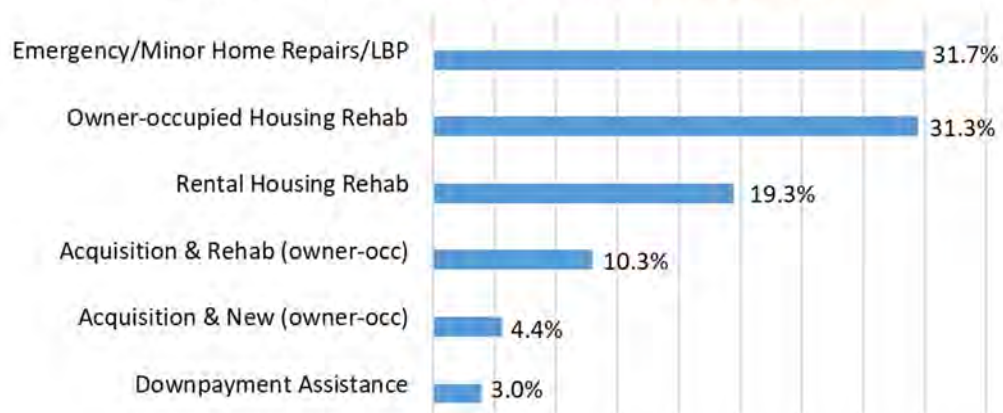
PY2022 HUD Resources for Affordable Housing: \$4,963,784.37

- \$3,705,679.73 – HOME allocations, program income, and unspent prior year funds
- \$1,258,104.64 – CDBG allocations, program income, and unspent prior year funds

PY2022 Accomplishments

Responding to the dramatic increase of housing costs¹ in the past several years, the City of Knoxville used the majority of its HOME and CDBG funds on affordable housing activities. Emergency/Minor Home Repairs, including Lead-based Paint assistance and Accessibility Modifications, made up the largest housing expense, followed by Owner-occupied Housing Rehabilitation, Rental Housing rehabilitation, Acquisition and Rehabilitation for purchase through Community Housing Development Organizations (CHDOs), Down Payment Assistance to purchasers of CHDO-developed housing, and Acquisition and Rehabilitation for purchase through Community Housing Development Organizations (CHDOs). Please see the chart below of HUD-funded affordable housing expenditures during PY2022.

PY2022 Affordable Housing Expenditures - HUD Funds



Affordable housing units completed in PY2022, include:

- 154 owner-occupied units (10 were HOME-assisted); 144 units had emergency or minor home repairs, including accessibility modifications; 7 low- and moderate-income (LMI) owner-occupied units had substantial rehabilitation (2 were reconstructions); 2 units were acquired and rehabilitated by CHDOs and 1 unit was acquired and a new house constructed by a CHDO;
- 3 LMI homebuyers were provided down payment assistance to purchase the 3 CHDO-developed homes; and
- 11 rental units had accessibility improvements or lead-based paint remediation.

¹ Housing costs have increased dramatically in the past several years. Prices for a quarter-acre lot increased 250% between 2012 and 2021, far outpacing the rate of inflation for the same timeframe. East Tennessee Realtors Group reported a median home sales price of \$335,000 in May 2023, up 0.9% compared to the previous year. Half of the homes sold were under contract in eight days or less, and approximately 32% of homes sold for more than the asking price. New construction represented around 12% of total home sales. The market has been most challenging for low- and moderate-income homebuyers, with the required monthly payment to afford a median-priced home in Knox County at \$2,245 per month — an increase of approximately 20% compared to last year. Rental prices in Knoxville were up 9.2% compared to the previous year. In the same timeframe, national rent prices grew by only 2.3%. (Source: WBIR.com June 27, 2023).

At the end of the program year, projects still underway include:

- 240 units (17 HOME-assisted units) of affordable housing are being rehabilitated for elderly/disabled households at Westview Towers;
- 9 owner-occupied housing units are being rehabilitated;
- 3 owner-occupied units are being developed by CHDOs; and
- A duplex (2 units) is currently being rehabilitated for LMI renters.

Other expenditures during the program year included project delivery (including HOME Administration funds) expenses in the amount of \$461,381.59. HOME Administration is capped at 10% of the PY2022 HOME Allocation and 10% from PY2022 Program Income received. The remainder came from CDBG funds.

City of Knoxville Funds

The City of Knoxville is committed to the development of new affordable rental housing units. In July 2017, the Affordable Rental Development (ARD) Fund was created with \$2M in local funds committed in its first year. Over the next three years, City Council added another \$10.6M in local funds, for a total of \$12.6M. During that time, the City also used a little over \$1M of its HUD funds for the development of new rental housing. Through PY2020, \$4,445,000 of ARD Funds were spent to complete 541 new affordable rental units.

PY2017-PY2020 Completed Units - ARD					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
Restoration House	Families	0-50% AMI	24	\$330,000	Completed
Middlebrook Gardens	Permanent Supportive Housing for Veterans	0-50% AMI	10	\$300,000	Completed
Southside Flats	Families	0-50% AMI	172	\$360,000	Completed
Cottages at Clifton	Elderly/Disabled	0-30% AMI	53	\$1,200,000	Completed
Young High Flats	Families	0-50% AMI	156	\$1,320,000	Completed
Flats at Pond Gap	Families	0-50% AMI	102	\$555,000	Completed
Village at Holston Place	Elderly/Disabled	0-60% AMI	24	\$380,000	Completed
PY2017-PY2020			541 Units	\$4,445,000	Completed

The City codified its commitment to affordable housing in May 2021, by establishing an ordinance creating Knoxville's Affordable Housing Fund. Knoxville's Affordable Housing Fund is a ten-year, \$50M commitment to support the creation and preservation of safe, high quality, and affordable housing. Addressing affordable housing is a priority that supports not only the needs of local families, but also the

community’s efforts to revitalize neighborhoods that have experienced historical disinvestment, attract new business investment, and support workforce development, recruitment and retention. Since July 2021, the City has contributed more than \$19.8M. The City’s total commitment of local funds, since 2017, is more than \$32.4M.

The July 2021 - June 2022 Annual Report and Key Highlights of Knoxville’s Affordable Housing Fund may be found at:

https://www.knoxvilletn.gov/UserFiles/Servers/Server_109478/File/CommunityDevelopment/Knoxville-Affordable-Housing-Fund-21-22-Report.pdf

Completed in PY2021 – AHF Year One					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
Burlington Commons	Families	0-80% AMI	50	\$1,470,000	Completed
Moss Grove Flats	Families	0-50%,-80% AMI	192	\$950,000	Completed
Dogwood Springs	Permanent Supportive Housing (Elderly)	0-50% AMI	50	\$1,500,000	Completed
PY2021			292 units	\$3,920,000	Completed

PY2022 Affordable Housing Fund/Affordable Rental Development Fund:

The City of Knoxville 2022-2023 Budget contributed an estimated \$11,400,000 to the Affordable Housing Fund, with \$8,500,000 allocated from local City funds and \$2,900,000 from Federal funds.

- Resources/Commitments: \$11,400,000. Planned fund uses include:
 - \$4.2M – Transforming Western
 - \$2.9M – Permanent Supportive Housing
 - \$2.5M – Affordable Multifamily Rental Development (ARD)
 - \$1.6M – First Creek at Austin
 - \$200k – East Tennessee Affordable Housing Trust Fund
- Expenditures: \$3,542,880.50 (not including AHTF/East Tennessee Foundation expenditures)

Construction of 144 new affordable rental units was completed in PY2022. While all of the tenants must have incomes within 80% of Area Median Income (AMI), approximately 55.6% of the units were restricted to tenants within 60% AMI and 43.7% of the units were restricted to tenants within 50% AMI. Of the tenants moving in, 57.9% had *extremely low-incomes* (0-30% AMI), 17.5% had very low-incomes (30-50% AMI) and 24.6% had *low-incomes* (50-80% of AMI). Sixty-four (64) units, or 44%, are permanent supportive housing units.

Permanent Supportive Housing (PSH) provides permanent housing assistance and supportive services to households where at least one member has a disability. Increasing the availability of affordable PSH units in Knoxville is a critical part of the community's efforts to provide stable housing for individuals who have experienced chronic homelessness and may be struggling with mental illness, addiction, or physical disabilities. Due to the intensity of services needed for PSH, development of these units is an especially complex challenge requiring partnerships between housing developers and providers of supportive services.

During PY2022, two affordable housing developments completed were permanent supportive housing: Volunteer Ministry Center (VMC) completed 48 units (Caswell Manor) and 4th Purpose/Men of Valor completed 16 units (Dogan-Gaither Flats). Southeast Capital Tennessee also developed 80 family units (The Ammons). All three different developments are located in East Knoxville. See the breakdown below.

Completed in PY2022 – AHF Year Two					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
The Ammons	Families	0-60% AMI	80	\$2,000,000	Completed
Caswell Manor	Permanent Supportive Housing	0-50% AMI	48	\$1,440,000	Completed
Dogan-Gaither Flats	Permanent Supportive Housing	15 @ 0-50% AMI, 1 @ 80% AMI	16	\$480,000	Completed
Total Units Completed in PY2022			144 Units	\$3,920,000	

There are an additional \$7,245,000 in local AHF/ARD funds obligated to 411 units currently underway (see below). Three of the developments will provide 223 additional units of permanent supportive housing. Additionally, HUD HOME-ARP funds in the amount of \$2.9M has been committed to 58 units of permanent supportive housing at Callahan Flats (see in italics below).

Units Underway at the end of PY2022					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
First Creek at Austin*	Permanent Supportive Housing	0-50% AMI	161	\$1,500,000	Underway
Callahan Flats	Permanent Supportive Housing	0-80%	30	\$900,000	Underway
<i>Callahan Flats</i>	<i>Permanent Supportive Housing</i>	<i>0-50%</i>	<i>58</i>	<i>\$2,900,000</i>	<i>Underway</i>

Liberty Place	Permanent Supportive Housing (Veterans)	22 @ 0-30% AMI, 10 @ 0-60% AMI	32	\$500,000	Underway
Central Terrace	Families	45 @ 0-50% AMI 67 @ 0-80% AMI	112	\$2,065,000	Underway
Inskip Flats	Families	0-60%, -80% AMI	66	\$1,980,000	Underway
Five Points Infill	Families	0-50%	10	\$300,000	Underway
Total Units Underway			469 Total Units: 411 Locally- funded and 58 HUD- funded	\$10,145,000 Total: \$7,245,000 in local funds and \$2,900,000 in HUD funds	

When completed, a total of \$19,530,000 in local AHF/ARD Funds and \$2,900,000 in HUD HOME-ARP funds will result in 1,446 new affordable rental units, 405 of which are permanent supportive housing. These new affordable rental developments – some large and some small – are located across the city and close to public transit. All units meet *Energy Star* standards to keep utility costs affordable.

* Funding is part of a multi-year commitment by the City to contribute \$14,130,000 over four years to support the full redevelopment of Austin Homes.

Goal: Reduce and Prevent Homelessness

Knoxville and Knox County continue to deal with the latent effects of the pandemic that have resulted in high inflation, reduced vacancy in rental housing, increased mental health and addiction challenges, and soaring rent and mortgage increases. These factors resulted in a surge of individuals/households falling into homelessness. While the 2023 PIT Count shows a 15.6% increase in total homeless persons since 2021, Knoxville-Knox County experienced a 21.5% decrease in total homeless persons between 2022 and 2023 (See Figure x). Homeless Management Information System (HMIS) analysis continues to show that the top three causes of homelessness for Knoxville-Knox County are 1) the lack of affordable housing, 2) health reasons, and 3) evictions.

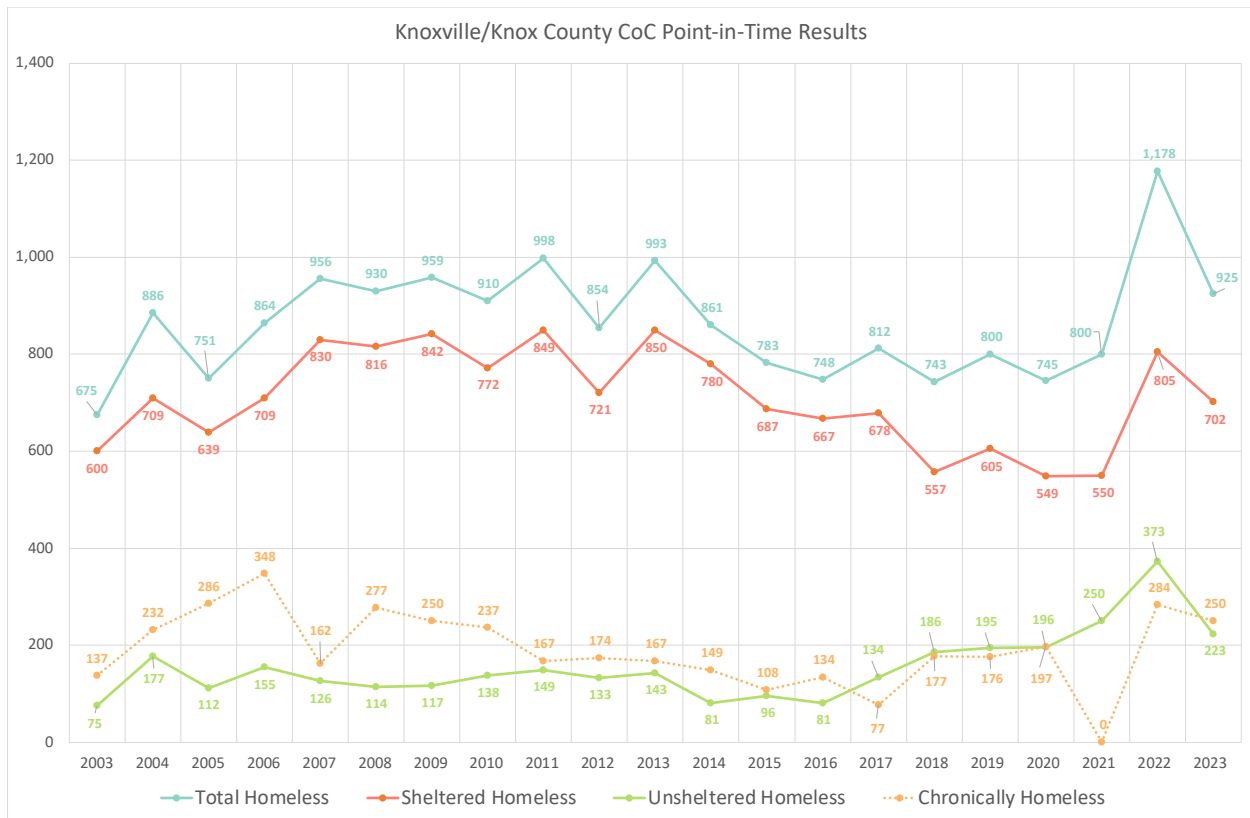


Figure 1 Knoxville/Knox County Continuum of Care Point-in-Time Count Results

While homelessness is a housing issue with solutions centered on housing and supportive services, development of *new* housing units and preservation of existing affordable housing units is just one part of the strategy (see Affordable Housing Accomplishments above). HUD provides state and local governments the opportunity to define strategies in their Continuum of Care (CoC) and Consolidated Plan/Annual Action Plans. The City of Knoxville’s Office on Homelessness (OOH) serves as the Collaborative Applicant for the Knoxville-Knox County CoC (TN-502) and submits a single, comprehensive application for HUD CoC funding annually. Funding is allocated to the CoC grantees directly from HUD. Additionally, the City of Knoxville directly receives and manages CoC Planning Grant funding from HUD.

The City of Knoxville also receives HUD Emergency Solutions Grant (ESG) funds to reduce and prevent homelessness based upon five component categories: Street Outreach; Emergency Shelter/Services; Rapid Re-Housing; Homelessness Prevention; and data collection to measure impact of strategies through Homelessness Management Information System (HMIS). The City made a significant commitment by contributing local match funds for activities that meet one of the ESG component categories (an ESG 1:1 match requirement) and for other activities that do not. Since Transitional Housing/Services and Permanent Supportive Housing are not ESG/ESG-CV eligible activities**, the City contributed local funds for these activities.

PY2022 HUD Resources for Homelessness Services: \$1,325,599.99

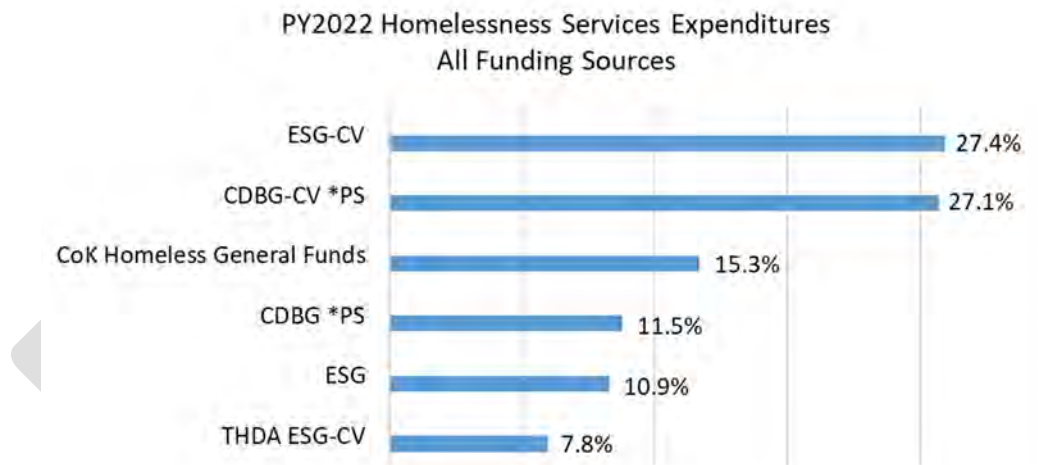
- \$523,524.14 – CDBG-CV
- \$446,893.52 – ESG-CV
- \$189,334 – CDBG
- \$152,501 – PY2022 ESG
- \$13,347.33 – PY2021 ESG

Other Funding resources for Homelessness Services: \$360,398.26

- City of Knoxville PY2022 Homeless General Funds: \$240,479.23
- THDA ESG-CV: \$119,919.03

PY2022 Accomplishments

CARES Act supplemental funds (ESG-CV and CDBG-CV) were the largest funding sources and expenditures for homelessness services in PY2022.



Unsheltered homelessness sharply increased during the pandemic, but has decreased to near pre-pandemic levels according to the 2023 PIT Count. Alarmingly, the number of sheltered homeless individuals is also seeing a sustained surge. While the sheltered census number declined in the 2023 PIT count compared to 2022, this population remains elevated by 27.9% compared to pre-pandemic levels (2020). In response, the City spent the largest amount (50.2%) of its total homeless funds on Emergency Shelter/Services serving 737 people experiencing literal homelessness. The City subgranted funds to non-profit partners providing shelter and services, including: Catholic Charities (serving elderly people); Knoxville-Knox County CAC (serving youth, elderly, and families in non-congregate shelter); Salvation Army (serving women and children); and Volunteer Ministry Center (serving individuals). Emergency Shelter/Services include providing shelter (bed, food, hygiene, etc.) and emergency services (medical, mental health, legal, educational, employment, and housing counseling and referrals, etc.). Services

were provided in congregate shelters, such as traditional and *low-barrier* shelters and non-congregate shelter (NCS), such as hotel/motel rooms, to prevent spread of the virus. The Knoxville-Knox County CoC used dynamic prioritization to target Emergency Housing Vouchers (EHVs) to households within non-congregate shelter (NCS), as the program does not have sustainable future funding. The intent was to connect as many households in NCS with permanent housing before the program closed in March 2023.

The City of Knoxville spent 19.2% of its homelessness services funds in PY2022 on Rapid Re-Housing services to help people who are literally homeless to get into permanent housing. The City provided funding to CAC and VMC to provide financial assistance (deposits, rent and utility payments, and relocation expenses), referrals to housing, and housing stabilization counseling to 520 individuals during the program year. By nature of being “homeless”/experiencing homelessness, HUD considers individuals and families receiving homelessness services to have *very low-income* (within 50% of AMI). While Rapid Re-Housing services are a significant community need, efforts are hampered by the lack of permanent housing options.

Street Outreach services (17.6%) assisted in meeting the needs of the growing unsheltered population during the program year. Outreach workers engaged more than 191 unsheltered individuals living outdoors, in cars, vacant buildings, and encampments during PY2022. Street Outreach workers provide food, PPE, hygiene and cleaning supplies as well as counseling and referrals to emergency shelters/services. A mobile shower trailer program served individuals experiencing unsheltered homelessness. Located in the City of Knoxville’s low-barrier, outdoor *Safe Space*, the program provides supervised and secure access to hygiene and laundry services four days/week. This location has Knoxville-Knox County’s highest concentration of unsheltered individuals and provides opportunity for engagement with outreach workers. Outreach workers, outfitted with mobile tablets, conducted coordinated entry assessments onsite with individuals experiencing homelessness.

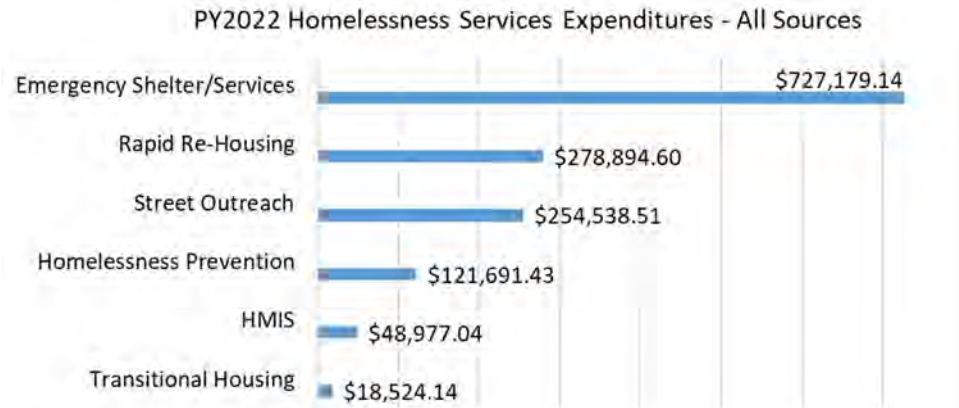
The City used CDBG and CDBG-CV funds (8.4% of funds spent on homelessness services) to provide services to Prevent Homelessness. Knoxville-Knox County Community Action Committee (CAC) provided services to 213 individuals at-risk of homelessness. Funds were used to pay deposits for housing and utilities, pay arrearages for housing and utilities, pay for relocation expenses, and for housing stabilization services.

Homelessness Management Information System (HMIS) (3.4%) was provided by the University of Tennessee’s Social Work Office of Research and Public Service (SWORPS). UT SWORPS provided HMIS-related services including training, tablets for Street Outreach, data collection and analysis, and an equity study on the coordinated entry system.

Approximately 1.3% of funds spent during the program year was for Transitional Housing/Services. While not an eligible component category for ESG/ESG-CV funds, Transitional Housing plays an important role when emergency shelters are at capacity. Transitional Housing provides time-limited housing and services and can be a step between emergency shelter and permanent housing. The City

subgranted CDBG funds to McNabb which assisted a total of 15 unaccompanied youth with Transitional Housing/Services during the program year.

Below is a chart showing expenditures on homelessness services across all activities (not just ESG component categories) from all funding sources.



Other expenditures during the program year included administration expenses in the amount of \$77,517.31 from the City's PY2022 ESG* allocation, HUD ESG-CV* allocation, THDA ESG-CV* allocation, and the City's Homeless General Fund allocation were also used during the program year. *Each HUD funding source has a limit of how much of its allocation may be used for administration expenses: ESG (7.5%); HUD ESG-CV (10%); and THDA ESG-CV (approximately 5%).

Goal: Stabilize and Revitalize Neighborhoods

Activities that help to stabilize and revitalize neighborhoods may include improvements to public facilities and infrastructure, design and technical assistance, and public services.

While the City provides local funding to a wide array of community services, its use of HUD funds for services is limited by HUD regulation. Up to 20% of the City's HUD CDBG allocation may be used for public services. Due to the increased funding from the CARES Act and suspension of the 20% cap on public services for CDBG-CV (and some CDBG) funds, the City expended more funds on public services in PY2022.

PY2022 HUD Resources for Neighborhood Services: \$804,224.02

- \$433,307.21 – CDBG-CV
- \$370,916.81 - CDBG

PY2022 Accomplishments

Federal funds were expended in the following areas:

- Expansion of the Mobile Meals Kitchen - \$279,000
- Case Management to Maintain Housing Stability - \$90,781.99
- COVID-19 Housing Assistance Program (HAP) - \$69,328.46
- Design and Technical Assistance - \$35,423.90 (CDBG funds only)
- Health Services - \$33,000

During the pandemic CAC saw an increase in the number of individuals in the community who were food insecure. The City contributed HUD CDBG and CARES Act CDBG-CV funds to CAC's Mobile Meals program in PY2022 to expand the Mobile Meals Kitchen. From July 1, 2021, to June 30, 2023, the Mobile Meals program provided daily nutritious meals to 4,453 homebound seniors and people with disabilities having *extremely low-income* and *very low-incomes*.

The City subgranted CDBG-CV funds to Knoxville Leadership Foundation's Bright Futures program to provide case management services to youth aging out of foster care and LMI individuals who lost income due to COVID-19. The Bright Futures program assisted 240 individuals (121 were counted in PY2021) through November 30, 2022.

The City's COVID-19 Housing Assistance Program (HAP), developed in the spring of 2020, was the first program in the community offering housing payment assistance for people who lost employment or income due to COVID-19. HAP helped to establish the framework that the programs that came after (i.e. ARP Emergency Rental Assistance or ERA) would use and helped local agencies develop the capacity needed to administer these other funds. It also served as a major information transfer point during the pandemic where City departments and nonprofits could communicate about what was working/not working, where there were gaps in services, and resources each entity needed to serve the community. During PY2022, HAP continued through subgrants to two agencies providing services that helped to fill gaps identified with the ARP/ERA funding, including: Housing stability case management services; Rent and utility deposits, etc. for individuals/households not on a lease or currently housed; and Relocation services and financial assistance. CONNECT Ministries and the Knox Area Urban League (KAUL) spent down the remainder of their CDBG-CV funds (\$69,328.46) and completed their HUD-funded programs in November 2022 and September 2022, respectively. During PY2022, 70 households/individuals at-risk of homelessness who had lost income due to COVID-19, were provided direct financial assistance and housing stabilization counseling.

The City subgranted CDBG funds to the East Tennessee Community Design Center (ETCDC) to provide design and technical assistance to businesses and community groups working to revitalize the City's redevelopment areas and the stabilization of blighted properties in low- and moderate-income (LMI) neighborhoods. ETCDC provided technical assistance to 13 community-enhancement projects: Concept development for four park/greenway improvement projects (Knox Botanical Garden's Urban Garden,

Sutherland Heights Pocket Park, Solomon Gardens Master Plan, and Gary Underwood Park); Concept design and technical assistance for eight non-profits (Knox Botanical Garden's Howell House Preservation, SEED Offices, Vestal UMC Foster Care Housing, Burlington Lighthouse, Sertoma Center, SHORA Urban Agriculture Co-Op, Sutherland Avenue Community Collaborative, and MLK Avenue Vision Plan); Development of a Façade Enhancement Program Booklet; Design assistance with two Façade Enhancement activities; and Review assistance for several infill housing activities.

The City subgranted CDBG-CV funds to the Interfaith Health Service's Mental Health Care and Substance Abuse Services Project to provide affordable mental health services and substance abuse screenings to members of the community who are especially at-risk for mental health issues and substance abuse during the pandemic. The Subgrantee provided a year of reduced cost mental health services to forty-eight (48) low- and moderate-income individuals and performed two hundred thirty-four (234) substance abuse screenings. Individuals were screened and those considered "at risk" received additional information about substance abuse treatment programs.

CDBG funds in the amount of \$250,000 were set aside for a public facility improvement project that has not yet been started. It is expected to be ready to begin in PY2023.

Goal: Create Economic Opportunity

Knoxville has a construction labor shortage, which creates challenges for developers of housing and other projects and drives up overall construction costs. In January 2023, the Knoxville Chamber estimated that Knoxville needs 2,028 Construction and Extraction Workers in 2023 to meet current needs. The greatest need is for construction laborers, electricians, first-line supervisors, carpenters, plumbers / pipefitters / steamfitters, and operating engineers / equipment operators. Most of these positions pay above the MIT living wage.

The City of Knoxville is addressing this construction labor shortage in three ways: 1.) Construction Career Ladder Roundtable, 2.) Investment in Workforce Development, and 3.) Enforcing Section 3 Requirements for projects that use over \$200,000 in federal funding.

The Construction Career Ladder Roundtable (CCLR) is a solutions-oriented workgroup of community stakeholders tasked with increasing the number of construction workers and contractors in Knoxville. The group, which meets quarterly at the Knoxville Area Urban League office, is rooted in equity and committed to serving low- and moderate-income individuals. The workgroup was founded in 2022 in response to a request from the Knoxville NAACP to further analyze the community's construction workforce capacity. The CCLR identified resources that are actively serving the community to meet this need and created a resource tool to help individuals with needs to connect with resources. The tool can be found on the City's website at the link below.

https://www.knoxvilletn.gov/government/city_departments_offices/housing_and_neighborhood_development/economic_development/construction_career_ladder_roundtable

PY2022 HUD Resources for Economic Opportunity: \$286,715 (all CDBG)

PY2022 Accomplishments:

The City subgranted CDBG funds to two non-profit organizations during the program year to provide workforce development. Neighborhood Housing Inc.'s KnoxWorx Program provided 84 individuals with pre-apprenticeship training, targeting Knoxville's disadvantaged young adults recruited from Knox County Schools, Knox County courts, supportive service agencies, and agency recruitment efforts in the community. In PY2022, 52% of participants identified "high school dropout" as their Primary Barrier to Employment. Twenty-five percent (25%) identified "low income," 21% identified "criminal history," and 1% identified "medical diagnosis" as barriers. Program participants choose between career tracts in construction, food service, and the medical industry. All participants received in-house soft skills training, and opportunities to earn their GED. Of the 84 individuals served, 65% had *extremely low-income* (within 30% of AMI), 24% had *very low-income* (within 50% of AMI), and 11% had *low-income* (within 80% AMI).

Knoxville Area Urban League's Workforce Development Enhancement Initiative supported 119 justice-involved individuals as they re-enter the workforce with pre-release and post-release services, R.E.S.P.E.C.T. (Re-entry Employment Services Program Employers Can Trust), and soft skills training. The core purpose of the program is to help low- to moderate-income individuals reach financial stability and move up the economic ladder through workforce/employment soft and hard skills training and coaching support. In PY2022, 84% of participants identified "justice background" as their Primary Barrier to Employment. Four percent (4%) identified "underemployed," 3% identified "disability," 2% identified "let go from job" and "under-skilled" as barriers. Other reasons given included "out of workforce for years," "relocated domestic violence victim," "college grad," "living in shelter," "Seeking job to use education," and "needs new job due to health issues" as barriers. Of the 119 people served, 70% had *extremely low-income* (within 30% of AMI), 27% had *very low-income* (within 50% of AMI) and 3% had *low-income* (within 80% AMI).

Additionally, the Mobile Meals Kitchen Expansion project supported five Section 3 Workers by paying for 1,051 Section 3 Worker labor hours. NHI's CDBG-funded KnoxWorx workforce development program trained 84 disenfranchised, young adults (also Targeted Section 3 Workers).

Finally, the City supported low- and moderate-income construction laborers through its Mobile Meals Kitchen Expansion project. Impact details are provided below.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the

grantee's program year goals.

See Attachment 2, Table 1

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

This Table will be included in the Final CAPER submitted to HUD (and available at www.knoxvilletn.gov/development after September 30)

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

By the end of PY2022, the City had spent less of its available HUD funding on affordable housing activities than it had planned. While applications for owner-occupied housing rehabilitation increased from the previous year, construction costs were much higher than before the pandemic, and the work took significantly longer to complete. The City planned to assist 16 low- and moderate-income (LMI) homeowners with substantial rehabilitation (in excess of \$25K) and, and seven were completed (eight are still under construction). The goals for increasing owner-occupied housing by Community Housing Development Organizations (CHDOs) were also not realized due to high construction costs and rising land values. CHDOs anticipated acquiring and rehabilitating or constructing eight homes to sell to LMI homebuyers and completed three (three others are under construction). Down payment assistance to purchasers of CHDO-developed housing, likewise, were less than planned. Funds were set aside to assist 13 LMI homebuyers, but with fewer homes to purchase (and at higher prices, despite the subsidy), only three households were assisted (one was underway at year-end). To counter these challenges, two nonprofit organizations, CAC Housing and Energy Services and Neighborhood Housing, Inc. utilized trainees, volunteers, and subcontractors to complete emergency and minor home repairs (typically less than \$5K per house) at about the same rate/cost as previous years: 155 units were planned and 155 were completed.

CHDOs (and other developers) planned to develop 16 affordable rental housing units, but completed none during the program year. At year-end, Westview Towers (240 units) and one duplex (two units) are being rehabilitated.

Community Development Block Grant (CDBG) and CARES Act supplemental CDBG (CDBG-CV) Funds

CDBG funds are the most flexible HUD funding source and can fund a wide range of projects/activities from affordable housing acquisition and rehabilitation, public facility and infrastructure, and economic development to public services (though public services are capped to 15%). Funds can also be spent on

grant administration (capped at 20%). HUD lifted the 15% cap for CDBG-CV funds (and for PY2019-2020 and PY2020-2021 CDBG funds) in order to *prevent, prepare for, and respond to COVID-19*.

The total amount of CDBG (including CDBG-CV) available to commit in PY2022 was \$3,908,757.20: \$1,699,579 from the PY2022 HUD CDBG allocation; \$1,222,632.49 in CARES Act supplemental CDBG (CDBG-CV) Round 1 and Round 3 funds ²; \$879,648.37 in unspent prior year funds; and \$106,897.34 in program income received in PY2022. The City spent a total of \$2,872,316.73 (~73%) of these funds during the year, \$1,036,440.47 less than what was budgeted. See below for a comparison of CDBG budgeted and spent. * HOME commitments and expenditures, as well as goals and accomplishments are listed in section CR-15.

Goal: Enhance the Availability, Accessibility, and Quality of Affordable Housing

Budgeted: \$4,963,784.37	Goal: 208 households assisted
Actual: \$2,977,306.57	Accomplished: 168 households assisted
Difference: \$1,986,477.80 less	Difference: 40 fewer households assisted

At the end of PY2022, there are funds committed but not spent for projects still underway, including:

- 240 units (17 HOME-assisted units) of affordable housing at Westview Towers;
- 9 owner-occupied housing rehabilitation projects;
- 3 CHDO owner-occupied units being developed; and
- A duplex (2 units) is currently being rehabilitated for LMI renters.

While much of the difference in funds is due to projects underway but are not yet complete, exorbitantly high construction costs and significant delays in time-to-completion help to explain the difference in funds spent and units completed.

Goal: Reduce and Prevent Homelessness

Budgeted: \$1,685,998.25	Goal: 1,243 people assisted
Actual: \$1,527,322.17	Accomplished: 1,676 people assisted
Difference: \$158,676.08 less	Difference: 433 more people assisted

As of September 13, some agencies have still not sent final invoices or final invoices have yet to be paid and/or drawn. Some agencies also failed to use all of their funds. Most agencies exceeded their goal of people served.

² Knoxville did not receive CARES Act HUD supplemental CDBG (CDBG-CV) Round 2 funds

Goal: Stabilize and Revitalize Neighborhoods

Budgeted: \$805,163.11
 Actual: \$507,534.35
 Difference: \$297,628.76 less

Goal: 2,669 individuals and 9 organizations assisted
 Accomplished: 5,039 individuals and 13 organizations
 Difference: 2,370 more individuals and 4 more organizations assisted

CDBG funds in the amount of \$250,000 were set aside for a public facility improvement project that has not yet been started. It is expected to be ready to begin in PY2023. An invoice from another public facility project has yet to be paid/drawn pending Davis Bacon and Related Act requirements. The remainder was left unspent by agencies. One agency underestimated the number of people they expected to serve, another overestimated.

Goal: Create Economic Opportunity

Budgeted: \$286,715.00
 Actual: \$286,715.00
 Difference: \$0

Goal: 175 people assisted
 Accomplished: 203 people served
 Difference: 28 more people served

All funds were expended completely. One agency underestimated the number of people they expected to serve, another overestimated.

Administration Costs

	<u>Budgeted</u>	<u>Actual</u>	<u>Balance</u>	<u>Notes</u>
CDBG (capped at 20%)	\$339,915.00	\$269,651.47 (15.9%)	\$ 70,263.53	Revert to non-admin
HOME (capped at 15%)	\$119,974.10	\$119,974.10 (10%)	\$0	
HOME PA (capped at 15%)	\$ 63,651.77	\$ 57,163.24 (8.9%)	\$ 11,482.27	Can be spent in 2023
ESG (capped at 7.5%)	\$ 11,437.00	\$ 11,437.00 (7.5%)	\$0	
CDBG-CV (capped at 20%)	\$268,687.64	\$ 98,770.67 (9.3%)	\$59,884.60	Spend by June 2026
ESG-CV (capped at 10%)	\$ 24,682.35	\$ 24,682.35 (8.7%)	\$0	
HOME-ARP (capped at 15%)	\$176,859.00	\$ 4,641.17	\$172,217.83	Spend by June 2030

Emergency Solutions Grant (ESG) and CARES Act supplemental ESG (ESG-CV) Funds

ESG funds may only be used for activities addressing homelessness in the following component categories: Street Outreach, Emergency Shelter/Services, Rapid Re-Housing, Homelessness Prevention and Homelessness Management Information System (HMIS). Transitional Housing and Permanent Supportive Housing (PSH) are not eligible for ESG funding. ESG also has a 60% cap on Street Outreach and Emergency Shelter/Services. Up to 7.5% of ESG funds may be used for grant administration. HUD

provided flexibility with ESG-CV funds (including lifting the 60% cap and allowing up to 10% of funds to be used for grant administration, among others), to *prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.*

The total amount of ESG (including ESG-CV) available to commit in PY2022 was \$612,741.85: \$152,501 from the PY2022 HUD ESG allocation, \$13,347.33 remaining from PY2021, and \$446,893.52 remaining in CARES Act supplemental ESG (ESG-CV) Round 1 and Round 2 funds remained to be spent. The City spent a total of \$584,832.67 (95.5%) of these funds during the year, \$27,909.18 (all ESG-CV) less than what was budgeted. See below for a comparison of ESG/ESG-CV budgeted and spent.

Goal: Reduce and Prevent Homelessness

Budgeted: \$612,741.85
 Actual: \$584,832.67
 Difference: \$27,909.18 less

Goal: 320+ individuals assisted
 Accomplished: 607 individuals assisted
 Difference: 287 more individuals assisted

All PY2021 and PY2022 ESG funds have been expended and its goals were exceeded. Some ESG-CV funds remain. A portion of it is expected to be spent-down by the end of September and drawn in October 2023. Some ESG-CV funds may go unspent, including a small amount of THDA ESG-CV.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	793	2
Black or African American	401	9
Asian	6	0
American Indian or American Native	7	0
Native Hawaiian or Other Pacific Islander	2	0
Total	1,209	11
Hispanic	62	0
Not Hispanic	1,147	11

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The City and its subrecipient partners served a total of 317 households with CDBG funds, though CDBG demographics were tracked by number of people (1,206 people). Not shown in the table above are

people who identify as: 137 “Other” race(s); 13 Black/African American and White/Caucasian; and 1 American Indian/Alaskan Native and Black/African American who were assisted with CDBG funds.

A total of 13 households (not individuals) were served with HOME funds. Not included in the table above are two households that identified as Black/African American and White/Caucasian.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG (inc. CDBG-CV)	public - federal	3,098,757.20	2,872,316.73
HOME (only)	public - federal	4,342,197.39	1,857,173.33
Other – ESG (inc. ESG-CV)	public - federal	612,741.85	584,832.67

Table 3 - Resources Made Available

Narrative

The U.S. Department of Housing and Urban Development (HUD) allocated **\$3,051,821** to the City of Knoxville for its *regular* annual allotment of Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG) and HOME Investment Partnerships Grant (HOME) funds.

Regular PY2022 HUD Allocations to the City of Knoxville

• CDBG	\$1,699,579
• HOME	\$1,199,741
• <u>ESG</u>	\$ 152,501
	\$3,051,821

CARES Act Supplemental (-CV funds) Allocations to the City of Knoxville

	Allocation	Prior Year Expenditures	Balance PY2022
• CDBG-CV	\$2,889,714.00	\$1,667,081.51	\$1,222,632.49
• ESG-CV	\$2,734,864.00	\$2,287,970.48	\$ 446,893.52
• <u>HOME-ARP</u>	\$4,076,859.00	\$0	\$4,076,859.00
			\$5,746,385.01

Other resources include \$3,398,934.43 in unexpended prior year funds: CDBG (\$879,648.37), HOME and HOME program income (\$2,505,938.73), and ESG (\$13,347.33). More program income was received for HOME (\$636,517.66) than had been estimated for (\$500,000) and CDBG (\$106,897.34) than had been

estimated (\$100,000), in the PY2022 Annual Action Plan, by \$143,415 total.

- Unexpended Prior Year funds

CDBG EN	\$ 879,648.37
HOME EN and Program Income	\$2,505,938.73
<u>ESG</u>	<u>\$ 13,347.33</u>
	\$3,398,934.43

- PY2022 Program Income

	Budgeted		Received
CDBG	\$ 100,000	CDBG	\$106,897.34
HOME	<u>\$ 500,000</u>	HOME	<u>\$636,517.66</u>
	\$ 600,000		\$743,415.00

- **Total HUD Resources \$12,940,555.44**

CDBG and CDBG-CV

The City of Knoxville had Community Development Block Grant (CDBG) and CARES Act CDBG-CV supplemental resources of **\$3,908,757.20** available in PY2022: A HUD CDBG allocation of \$1,699,579 for PY2022; remaining HUD CARES Act CDBG-CV funds in the amount of \$1,222,632.49; CDBG program income in the amount of \$106,897.34; and \$879,648.37 in unspent CDBG from prior years. CDBG and CDBG-CV funds in the amount of **\$2,872,316.73** were spent on: Emergency and Minor Home Repairs (\$796,939.19 or 27.7%); Homelessness Services (\$589,512.00 or 20.5%); Administration (\$368,422.14 or 12.8%); Housing Rehabilitation/Development activities (\$323,194.05 or 11.3%); Workforce Development (\$286,715 or 10%); Mobile Meals (\$279,000 or 9.7%); HAP and Housing Stabilization (\$160,110.97 or 5.6%), Design and Technical Assistance (\$35,423.90 or 1.2%); and Mental Health Services (\$33,000 or 1.2%). Remaining CDBG funds (**\$1,036,440.47**) are funds not yet invoiced/drawn, committed to projects that have not yet completed or are budgeted to PY2023 activities.

HOME

The City had HOME Investment Partnerships (HOME) resources of **\$4,342,197.39**: A HUD allocation of \$1,199,741 for PY2022; HOME program income in the amount of \$636,517.66; and \$2,505,938.73 in unspent prior year HOME/HOME program income. The City spent **\$1,857,173.33** (100%) of its HOME funds on affordable housing activities: Owner-occupied rehabilitation (\$773,340.41 or 41.6%); Program delivery expenses (\$177,793.21 or 9.6%); CHDO-developed or rehabilitated owner-occupied housing (\$368,127.12 or 19.8%); Rental housing rehabilitation (\$461,315.99 or 24.8%); and Down payment assistance (\$76,596.60 or 4.1%) during the program year. HOME funds remaining (**\$2,485,024.06**) are committed to projects that have not yet been completed or are budgeted to PY2023 activities.

HOME-ARP

The City of Knoxville was awarded \$4,076,859 in HUD HOME Investment Partnerships (HOME) Grants – American Rescue Plan (ARP) in PY2022. To-date, \$4,641.17 has been spent/drawn of \$176,859 for HOME-ARP administration. In April 2022, City Council approved \$2.9M for the development of 58 units of Permanent Supportive Housing at Callahan Flats.

ESG and ESG-CV

The City had total Emergency Solutions Grant (ESG) and CARES Act ESG-CV resources of **\$612,741.85** available in PY2022: a HUD ESG allocation of \$152,501 for PY2022; remaining PY2021 ESG funds in the amount of \$13,347.33; and remaining HUD CARES Act ESG-CV funds of \$446,893.52. The City spent **\$584,832.67** in ESG funds on: Rapid Re-Housing (\$278,894.60 or 47.7%); Emergency Shelter/Services (\$240,013.23 or 41%); Street Outreach (\$29,805.49 or 5.1%); and Program administration (\$36,119.35 or 6.2%). ESG funds remaining (**\$27,909.18**) are committed to projects that have not yet been completed or are budgeted for PY2023 activities.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City of Knoxville	100	100	Geographic Target Area 1

Table 4 – Identify the geographic distribution and location of investments

Narrative

As land values continue to increase, developers of new housing are challenged to find properties that are buildable, available, close to public transit, correctly zoned (or can be), and affordable for development. They must also manage complex funding requirements and deadlines. Community Housing Development Organizations (CHDOs) and other nonprofit developers acquiring existing housing for HUD-funded substantial rehabilitation, for rent or sale, face equally challenging obstacles. These include managing construction costs and the “unknowns” of existing building conditions; keeping costs low to keep units affordable to LMI households within HUD subsidy limits; not displacing current residents (if present); and finding homes/properties in neighborhoods in which people desire to live.

Housing activities where LMI households complete applications for assistance, such as owner-occupied housing rehabilitation and emergency/minor home repair, likewise, occur anywhere within the city. While preference cannot be given to applicants based on location (or any other factor, other than

program eligibility requirements regarding income, credit, work needed, etc.), the City affirmatively markets its programs to Census Tracts with a higher proportion of minority populations.

The City has several redevelopment areas that are part of a larger investment that the City has been participating in for years. These are areas that have a larger share of low-income households/high concentration of poverty, a larger share of substandard and aging housing stock, lack of services and amenities, and blighted conditions. These conditions often overlap resulting in low opportunity, low accessibility, and high vulnerability of its residents. Multiple funding sources are used and partners, such as Knoxville's Community Development Corporation (KCDC), initiate redevelopment efforts. For example, the City is supporting KCDC's efforts by committing local general funds for infrastructure in the former Austin Homes community. The City also supports housing rehabilitation activities within these neighborhoods and is working to acquire and maintain blighted properties for future development opportunities. The City spent local General Funds to support economic development initiatives in neighborhoods and redevelopment areas that are located within or adjacent to low- and moderate-income areas (LMAs) and redevelopment areas. The locally funded Commercial Facade Improvement program supports the renovation of blighted buildings into viable businesses in redevelopment areas.

DRAFT

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

LMI homeowners receiving owner-occupied housing rehabilitation through the City paid back \$1,404,651.47 (from all sources, except other federally funded Covid-19 mortgage assistance payments) in loan payments and interest in PY2022, funding more loans for LMI homeowners and affordable rental housing owners/developers and supporting grants to LMI households for emergency home repairs through the CAC. CAC leveraged \$412,429.01 for emergency home repairs and \$226,948.85 (including non-HUD federal funds) for lead-based paint remediation. Neighborhood Housing, Inc. (NHI) Operation Backyard contributed \$97,560 in local funds and volunteer labor from several area churches, agencies and businesses to leverage CDBG funds for minor home repairs and accessibility improvements for LMI homeowners and renters. Leveraged HOME funds for the program year include: \$130,263.57 from CHDO homebuyers; \$577,191.19 in contributions from CHDO housing developers; and \$2,183.21 from households receiving Owner Occupied Rehabilitation. Finally, the City contributed \$3,542,880.50 in local funds in PY2022 through Knoxville's Affordable Housing/Affordable Rental Development (ARD) Fund, which leveraged \$38,714,608 in funds from developers.

The NHI Workforce Development program leveraged \$801,739.44 in other funds from the Department of Labor's YouthBuild Program, and monetary and in-kind donations. The Knoxville Area Urban League leveraged \$80,490 for their RISE Workforce Development program.

The East Tennessee Community Design Center contributed \$49,633.83 in volunteer labor to support their design and technical assistance program.

CAC contributed \$403,000 in leverage for the expansion of the Mobile Meals Kitchen.

Other social service agencies contributed funds for CDBG and CDBG-CV public services, including YWCA (\$102,300), VMC Resource Center (\$456,033), VMC Emergency Shelter (\$136,234), VMC Dental Clinic (\$54,000), Interfaith Health Clinic (\$35,800), Catholic Charities (\$17,677), CAC Rapid Re-Housing (\$9,136.71), and CAC NCS and Homelessness Prevention (\$3,886.25).

The City contributed \$232,966.17 in local homeless General Funds in PY2022. These dollars funded agencies providing Emergency Shelter/Services and support for Homeless Management Information System (KnoxHMIS).

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	5,500,874.48
2. Match contributed during current Federal fiscal year	1,465,406.88
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	6,966,281.36
4. Match liability for current Federal fiscal year	111,319.80
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	6,854,961.56

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
McCalla Avenue	9/1/2022					8,558.35		8,558.35
Caswell Manor	5/15/2023	1,440,000						1,440,000
Timber Circle	5/22/2023					11,807.89		11,807.89
Jourolman Avenue	5/22/2023					5,040.64		5,040.64

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
1,475,200	636,518	732,212	0	1,379,506

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	852,968.21	0	0	0	0	852,968.21
Number	10	0	0	0	0	10
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	852,968.21	151,890.22	701,077.99			
Number						
Sub-Contracts						
Number						
Dollar Amount						

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		4		\$46,585.41		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

DRAFT

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	409	596
Number of Non-Homeless households to be provided affordable housing units	200	87
Number of Special-Needs households to be provided affordable housing units	0	78
Total	609	761

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	335	596
Number of households supported through The Production of New Units	79	1
Number of households supported through Rehab of Existing Units	187	162
Number of households supported through Acquisition of Existing Units	8	2
Total	609	761

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The differences between the goal and actual number for rehabilitation and development of affordable housing is primarily due to high construction costs and delays in completion. At the end of the program year, projects still underway include:

- 240 units (17 HOME-assisted units) of affordable housing are being rehabilitated for elderly/disabled households at Westview Towers;
- 9 owner-occupied housing units are being rehabilitated;
- 3 owner-occupied units are being developed by CHDOs; and
- A duplex (2 units) is currently being rehabilitated for LMI renters.

The differences between the goal and actual number for acquisition of existing units is primarily due to rising home values. Affordable housing developers, Community Housing Development Organizations

(CHDOs) and HOME grantees are struggling to keep affordable housing costs under the HOME Maximum Purchase Price/After Rehab Value limits (not exceeding 95 percent of the area median purchase price for single family housing, as determined by HUD).

Discuss how these outcomes will impact future annual action plans.

HUD revised its FY2022 HOME and Housing Trust Fund (HTF) Homeownership Value Limits, effective June 1, 2022. In Knoxville, the median sale price was raised to \$235,000. This increased the 95% limit after-rehab value to \$223,000. This increase widens the pool for owner-occupied rehabilitation, but still presents challenges for CHDOs and others acquiring and rehabilitating properties for sale to low- and moderate-income homebuyers. The City expects rising home sale prices to continue in the next few years. It will continue offering its HOME-funded down payment assistance program to purchasers of CHDO-developed affordable housing to subsidize these homes for low- and moderate-income households.

As CARES Act ESG-CV and CDBG-CV funds draw to a close, the number of households that are supported with rental assistance will unfortunately end.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	62	0
Low-income	54	1
Moderate-income	39	12
Total	155	13

***Table 13 – Number of Households Served**

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Knoxville supported direct outreach to unsheltered homeless individuals through a number of initiatives. Using \$157,798 in local funds, the City supported two street outreach social workers at the Volunteer Ministry Center, focusing on unsheltered, chronically homeless persons in the areas near downtown Knoxville. This program specializes in connecting with people who are typically more resistant to shelter and social service programs and, through continued engagement, encourage them to access resources designed to help them quickly access appropriate permanent housing, along with needed supportive services. Additionally, the City supported the development of a new mobile shower trailer program in partnership with Volunteer Ministry Center using \$475,560 in THDA ESG-CV funds in PY2021 and PY2022. This program provided health and hygiene services, access to laundry services, and was run by VMC staff who could schedule refer individuals to shelter and resources. . The mobile shower trailer program operated in the City-maintained outdoor daytime "safe space", which is also in close proximity to emergency shelter and other social service resources. The Safe Space includes access to portable and permanent restroom facilities, is monitored by security, and serves as a place to connect with social services outreach.

In addition, through \$90,452 in local funding, the City supports a Coordinated Entry System (CES), managed by the University of Tennessee's Social Work Office of Research and Public Service, in conjunction with Knoxville's Homeless Management Information System (KnoxHMIS). CES coordinates a multi-agency standardized intake system that is used to assess individual needs and vulnerability, giving priority for housing and other resources to those with the greatest need and vulnerability. CES coordinates regular multi-agency case coordination meetings and street outreach coordination meetings to assure vulnerable unsheltered populations are being engaged and directed to permanent supportive housing as well as other appropriate housing and social services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City provided capital redevelopment funding and has provided ongoing operational funding to a local, low-barrier shelter, the Foyer, operated by Volunteer Ministry Center. The Foyer provides up to 30 shelter beds for persons who have been resistant to or unable to access other shelter options in this community. Through referrals from street outreach, people who have been unsheltered, often for extended periods, are given the option to come to this smaller shelter space, where they can also be connected to housing-focused case management. The Foyer is even able to accommodate people with pets, often a reason some people will not otherwise engage with emergency shelter. The City supported, using ESG-CV funds, the Knoxville-Knox County CAC's work to provide non-congregate shelter using hotels and motels during the pandemic.

Additionally, the City used \$727,179.14 in combined local general funds and HUD resources to support emergency shelter/services and transitional housing/services through: CAC, Catholic Charities Samaritan Place, Salvation Army Joy Baker Center, VMC Resource Center, Foyer, and Dental Clinic, McNabb Center, and the YWCA. In addition to providing shelter, each agency provided case management, counseling, life skills workshops, educational training, job referrals and networking for housing opportunities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City used CDBG resources to support homelessness assistance and prevention activities during the pandemic in the program year. CAC, Connect Ministries, and the Knoxville Area Urban League all provided assistance and programming to prevent vulnerable individuals and families from losing their housing during the pandemic. The City, in partnership with the local Continuum of Care, is leading the development of a prevention and diversion arm of the local homeless service system. Diversion is actively being implemented by the largest shelter in the City. Shelter diversion programs will begin in PY2023.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Rapid Re-Housing services were provided through CAC's Homeward Bound Program and the Volunteer Ministry Center (VMC) with ESG and ESG-CV funding. Additional RRH projects supported through other funding streams were overseen by Salvation Army and Volunteers of America. These programs worked to provide quick housing placements and case management services for both individuals and families during the pandemic.

Per the [National Association of Realtors](#), Knoxville had the fastest rent growth in 2022 of any city with over 150,000 households, and the rental vacancy rate has consistently been much tighter than the national average in the past two years—3.3% in Knoxville Metro area vs 5.3% nationwide ([Apartment List, July 2023](#)). For rapid re-housing programs, median time to housing increased by 18% as compared with the previous year—from 73 days in PY2021 to 86 days in 2023—, due primarily to the COVID-19 pandemic and this tightening housing market. Several initiatives, including Knox County's Knox Housing Assistance ERA Program and the United Way's Housing Navigator program, along with HUD-funded

Rapid Re-Housing programs, are working collaboratively with the Coordinated Entry System (CHAMP) to identify and prioritize those in most need of support.

Median length of stay in Emergency Shelter programs rose nominally in PY2022 to 29 days—up from 28 days in PY2021. Likewise, Transitional Housing’s median length of stay rose from 144 days in PY2021 to 155 days in PY2022. Two-year returns to homelessness from a positive housing placement held steady at 12% both years—114 in PY2021 and 125 in PY2023. The negative supply of affordable housing and permanent supportive housing stock continues to be a primary challenge for moving people off the streets as quickly as desired. In addition to its oversight of the CoC’s Homeless Management Information System, the University of Tennessee’s KnoxHMIS program facilitates Knoxville and Knox County’s Coordinated Housing Assessment and Match Plan (CHAMP), which aims to quickly assess the needs and strengths of those experiencing homelessness to better match them to the most appropriate resources. In November 2022, the CHAMP system successfully adopted a new intake and prioritization tool, locally known as “The Houston Tool”, based on the time-tested tool used by The Way Home Continuum of Care in Houston, Texas. This tool replaces the VI-SPDAT, based on evidence of inequitable outcomes from the tool both locally and nationally.

KnoxHMIS and the University of Tennessee just completed a nine-month statistical analysis of the new Houston Tool and found that the tool has a far more equitable score distribution by race and gender. CHAMP data has also recently made plain the stark need for one-bedroom units; the CoC and local municipal leadership will use this data to leverage increased affordable housing stock and reduce times homeless throughout the local system. The City of Knoxville is also working to address this need through its locally funded Affordable Rental Development (ARD) Fund, its HUD-funded Rental Housing Rehabilitation program, and CHDO-developed rental housing.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Knoxville's Community Development Corporation (KCDC) serves the needs of all the public housing residents within the city and county. KCDC owns, manages, and maintains nearly 4,000 low-income rental units across the city and the county and also administers a program that allows over 4,000 families to secure affordable housing in the private market across Knoxville and Knox County. KCDC converted public housing within the City and County via the HUD Rental Assistance Demonstration (RAD) program in 2016; to date, all properties within the KCDC portfolio have been converted, except for Western Heights, which is currently in the conversion process. The resources made available by the RAD program have allowed KCDC to continue to fulfill its mission. The conversion of units to rental-based housing means KCDC has the same financing options available as the private sector and allows providers to leverage private capital markets to make capital improvements in the public housing stock. Modernization and rehab have been ongoing for all four KCDC high-rise properties for elderly and disabled adults. KCDC is mid-construction on Phase 2 of First Creek of Austin, which will add 180 units of affordable housing by the end of 2023. Phase 3 is expected to add 161 more units in 2025. KCDC opened the first 105 mixed-income units in phase one in 2022.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

KCDC has several sites with Resident Associations, and there is a Tenant Council comprised of members of KCDC's various properties and Associations that meet monthly. Residents also participated in the planning process for the two newest neighborhood redevelopment projects, First Creek at Austin and Western Heights, through regular community meetings. KCDC received the HUD Choice Neighborhood grant to completely transform the Western Heights community and surrounding neighborhood. KCDC actively partners with community agencies to increase resident involvement. Management also seeks to interact with their sites through community-centric activities, such as recognizing graduates at their properties, holding resource "fairs," and other neighborhood-building activities.

Actions taken to provide assistance to troubled PHAs

KCDC is not designated as a troubled housing authority.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City has undertaken the actions described in the PY2020-2024 Strategic Plan and the PY2022 Action Plan, as described above, including marketing an increasing number of parcels through its locally funded Homemaker's Program, correcting obstacles before sale to developers, acquiring abandoned property and clearing titles, and offering subsidies to facilitate affordable development. The changes made to the City's Zoning Code in recent years also increased opportunities for the development of housing.

The City of Knoxville has had more than 7,000 permit requests since November 2022, representing more than \$2.5 billion in new construction. To meet this increased demand, the City is in the process of streamlining the permitting and engineering process. Long wait times and complex processes have slowed developers who are working to increase the City's housing inventory. The goal is to modernize current systems and add additional staff.

- The City has hired an additional Building Inspector, and is in the process of hiring another.
 - Two staffers have been promoted, allowing them to focus on Plans Review.
 - The City has hired Cannon and Cannon Inc. and Consor as consultants to assist with the plans review process and is looking into opportunities for third party inspections.
 - The City has initiated the hiring process for the newly funded Plans Review Engineer and expects to hire two Engineering Technicians this month.
- Finally, the City is hiring an IT consultant to help simplify and streamline the new online permitting system.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City is addressing unmet needs through its use of HUD funds, by contributing a significant amount of its own local funds, and finding innovative ways to collaborate with other community organizations to:

- Increase the supply of new, affordable housing in all areas of the city, especially for vulnerable populations;
- Help improve the quality of the existing affordable housing stock and prevent displacement of LMI homeowners and renters in neighborhoods (including redevelopment areas) by providing housing rehabilitation, emergency and minor home repairs, weatherization/energy efficiency, accessibility modifications, and lead-based paint

- education and abatement;
- Ensure quality in its development and revitalization projects that provide opportunities for LMI job-seekers, as well as small and minority- and women-owned businesses; and
- Support its partners in preventing and ending homelessness; and generally, to improve the quality of life in the city for all residents.

Addressing the need for affordable rental housing continued to be the City's highest priority for assisting LMI residents. In May of 2021, City Council passed an ordinance to amend the City Code and create the Knoxville Affordable Housing Fund (The Fund) that established a foundation for long-term continued investment to advance affordable housing opportunities. Developed in response to and in partnership with local housing advocates, and with input and guidance of local housing stakeholders and experts, the Fund builds upon the City's long and successful history of promoting affordable housing through the ARDF, the East Tennessee Foundation's Affordable Housing Trust Fund and many capital project investments led by private and public housing providers. The Fund establishes a minimum contribution of \$5M per year for 10 years to support affordable housing needs of individuals and families of low- and moderate-income households. The support for the fund will come from annually appropriated City budget dollars.

The City spent \$3,542,880.50 in local Affordable Housing Fund / Affordable Rental Development (ARD) funds during the program year. Three developments (144 units) were completed in PY2022, including 64 permanent supportive housing units.

The City used \$461,315.99 (24.8%) of its HOME funds on the rehabilitation of one multi-family complex (240 total units) and one duplex (two units). Neither of these were completed in PY2022.

The City also supported private developers of affordable housing by assisting with documentation required by the State of Tennessee for tax credits through THDA and contributed \$200,000 in local funds to the East Tennessee Foundation's Affordable Housing Trust Fund to support affordable housing goals (including rental housing rehabilitation) in the city of Knoxville.

The City provided \$1.6M in local, capital dollars for First Creek at Austin to KCDC (in addition to \$8.75M provided since PY2019 for new infrastructure, including utilities, streets, and sidewalks as part of the housing redevelopment for Austin Homes). Construction on this phase of the residential development began in 2022 and is expected to be complete by the end of 2023. All of the units at First Creek at Austin Homes will be affordable to families with incomes at or below 80% of the area median, with a majority reserved for families with extremely low or very low incomes.

The City also provided \$4.2M to the Transforming Western development in PY2022, expected to add 283 new units of affordable rental housing over the eight years of the project.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The HUD Office of Lead Hazard Control and Healthy Homes (HUD OLHCHH) awarded the City of Knoxville a \$3.6 M, 42-month Lead Hazard Control grant, in early 2019. In 2022, the City applied for and received

an extension from HUD to continue the program until September 30, 2023. The City collaborated with Knoxville-Knox County CAC to perform targeted outreach and education to at-risk LMI households, as well as the completion of lead hazard control projects, and healthy homes interventions. During PY2022-2023, 36 lead-based paint inspection/risk assessments were completed, and 32 lead hazard control projects were completed and achieved clearance.

The purpose of the program is to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing. Those who qualify may receive a grant for repairs designed to remediate lead-based paint hazards, including replacing old wooden windows with new vinyl windows, vinyl siding and aluminum trim, covering porch floors and ceilings, and fresh paint.

The City performs risk assessments for its housing rehabilitation projects and Homemaker's program properties, as necessary, with four staff who have been licensed by the State of Tennessee and certified by the U.S. Environmental Protection Agency to perform lead-based paint inspections and risk assessments. Each staff person participates in on-going training to keep licenses up to date. The City and CAC both own an XRF analyzer, which receives maintenance and radiation lead testing according to the required schedule and its use is documented according to State requirements.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

For those who are unable to work or are underemployed, the City carried out the actions described in this document and the PY2020-2024 Consolidated Plan to positively impact and reduce the number of poverty-level families. Initiatives such as: CONNECT Ministries' Housing Assistance program, the Knoxville Area Urban League's *RISE Workforce Development program*, Salvation Army's *Pathways to Hope* program, and NHI's *KnoxWorx* workforce development programs; Revitalization and development that creates and/or retains jobs in low- and moderate-income areas (LMAs), including redevelopment areas; The Commercial Façade Improvement program; Housing assistance programs that help keep housing costs affordable; as well as opportunities, like HUD's Section 3 Rule associated with construction/development – all help provide higher income opportunities for individuals and families at poverty-level.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City's Office on Homelessness (OOH) staffs the quarterly meetings of the Mayor's Roundtable on Homelessness, which brings together the leadership local homeless service agencies and other stakeholders. OOH participates in the Knoxville-Knox County Coalition for the Homeless and serves as the designated Collaborative Applicant for the Knoxville Knox County CoC (TN-502).

Department staff also participate in the coordinating bodies for several agencies that perform community development activities, including Knoxville-Knox County Homeless Coalition, Affordable Housing Trust Fund Advisory Board, Equality Coalition for Housing Opportunity, etc. Staff also serve on or provide information to taskforces related to neighborhood revitalization, such as the Chronic Problem

Properties Committee, Abandoned, Blighted and Vacant (ABV) Properties Committee, the Better Building Board and Blighted Properties Redevelopment Program loan review committee, Affordable Housing Trust Fund, East Tennessee Community Design Center Board, and Broadway Corridor Task Force.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City's Office on Homelessness staffs and coordinates the Mayor's Roundtable on Homelessness, a quarterly meeting of housing and service providers. City staff regularly meet with affordable housing providers, including non-profit and CHDO housing developers and for-profit affordable housing developers. OOH participates in the Knoxville-Knox County Coalition for the Homeless and also serves as the designated Collaborative Applicant for the Knoxville Knox County CoC (TN-502).

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

As part of its research to develop the PY2020-2024 Consolidated Plan, the City of Knoxville worked with a consultant to conduct an Analysis of Impediments to Fair Housing Choice (AI). An important component of the research process involved gathering input regarding fair and affordable housing conditions, perceptions, and needs. The City's Community Empowerment Department and African American Equity Restoration Taskforce are also available to assist as the liaison between community agencies and the City. The City remains committed to affirmatively furthering fair housing, understanding disparities in opportunity, and promoting equity in all of its activities.

Barriers to the provision of sufficient affordable housing include: increasing land values; increasing costs of development/construction; the lack of, or uncertainty of, available government programs and subsidies; the lack of choice in affordable housing location; and the challenges of acquiring and assembling inner-city parcels for affordable housing development.

The City implements fair housing and equal opportunity programming in compliance with civil rights regulations and guidelines. Affirmatively Furthering Fair Housing and identifying actions and strategies that affect equal housing opportunities are two goals for the Community Development department. Fair Housing posters are on display in the City's Housing and Neighborhood Development Department, and the federal Equal Housing Opportunity logo is placed on printed materials. Staff worked with various housing practitioners (lenders, apartment owners, realtors, insurance agencies and landlords) in promoting fair housing and the placement of the logo on materials. The City makes referrals for tenant/landlord matters to Legal Aid of East Tennessee and, for fair housing discrimination complaints, to the Tennessee Human Rights Commission (THRC) that administers the Fair Housing Assistance Program. The City's fair housing brochures, fact sheets, posters, display information, and website explain the Fair Housing Act and the importance of housing equality, and also provide an overview of the seven protected classes. Several materials are translated in Spanish.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Housing and Neighborhood Development Director and Community Development Administrator oversee the planning and budgeting process to ensure that funded projects are consistent with grant requirements. This planning process also ensures that each funded project is consistent with the PY2020-2024 Consolidated Plan and makes progress toward identified community development objectives. City staff work with and maintain relationships with Knoxville-Knox County Planning that manages comprehensive long-range planning for Knoxville.

All subgrantee projects are assigned to a Project Specialist for oversight, monitoring, and technical assistance. The Section Manager drafts contracts with input from the subgrantee and Project Specialist. The City Law Department finalizes the contracts in order to ensure compliance with applicable laws and regulations. Subgrantees submit quarterly progress reports and a completion report. Reports are reviewed by the Project Specialist to ensure contract compliance. In PY2022, all funds were provided to subgrantees on a reimbursement basis. Reimbursement requests are submitted to the City on a quarterly or monthly basis, and contain supporting documentation for all expenses for which reimbursement is requested. Requests are reviewed, revised (if necessary), and approved by the Project Specialist, then reviewed and approved by the Section Manager. The Finance Specialist prepares a check request, which is approved by the Section Manager and Director prior to submission to the City Finance Department. Subgrantee monitoring is performed on an informal basis through telephone, email, and periodic meetings between City and subgrantee staff. Formal monitoring is performed on an annual basis (except in the case of low risk subgrantees or projects). Formal monitoring is conducted by the Project Specialist at the subgrantee's office (when safe to do so), and includes review of agency policies, procedures, financial records, and project documentation. A written report is issued following a formal monitoring session, and any findings or concerns that require subgrantee action are followed up on by both the subgrantee and City staff.

For City housing activities, applications for assistance are analyzed by the Housing Finance Supervisor and the Housing Manager for compliance with program guidelines. Housing Rehabilitation Specialists provide detailed specifications for ensuring that the activity meets Neighborhood Housing Standards and cost estimates to ensure that construction bids are reasonable and allowable. During the construction process, all activities are monitored by Housing Rehabilitation Specialists for compliance. The Housing Construction Manager reviews, approves work and activities during each step of the rehabilitation process. The Director periodically conducts in-house monitoring. Payment for contractor and other housing activity expenses are processed by the Housing Finance Supervisor, Housing Manager, and approved by the Director prior to payment.

The Community Development Administrator and Administrative Technician oversee the Department's overall expenditures and financial status and assists the Director in drawing funds from HUD on a regular basis. Special regulatory requirements are addressed by several staff members. The environmental review process is overseen by the Director, who has been delegated this authority by the Mayor. For projects requiring procurement and federal labor standards compliance, the assigned project monitor provides technical assistance to the agency performing the project, oversees the bid process, works with contractors, and reviews certified payroll.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Notice of the availability of the Draft CAPER was published in the Knoxville News Sentinel on Saturday, August 26, 2023. The draft of the PY2022 CAPER was made available for public comment for 15 days from September 13 through September 27, 2023.

A link to the Draft CAPER also appeared on the City's website and notice was published in the City Office of Neighborhood Empowerment's Neighborly Notice newsletter twice during this time. A hard copy of the Draft PY2022 CAPER was made available for review in the Housing and Neighborhood Development Department. Hard copies of the draft were also offered to those not having internet access.

<<Insert summary of comments received.>>

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The overall goal of HUD's community planning and development programs is to support viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. Despite challenges presented with the pandemic, the City of Knoxville's performance during the reporting period has been consistent with this overall HUD goal and with the objectives and priorities in the City's annual plan and the five-year Consolidated Plan strategy. The City's activities for the reporting period improved housing conditions for owner-occupants and renters, created homeownership opportunities, assisted in the provision of housing and services to the homeless, and enhanced or improved services, infrastructure, and facilities in lower income neighborhoods.

The Knoxville-Knox County CoC has tailored programming to meet the needs of households experiencing homelessness due to the challenges of the pandemic. Homeless shelter providers worked with the Knox County Health Department during the pandemic to make their spaces safer for guests. This included decreasing bed capacity to allow for greater social distancing, enhanced separation of spaces, air-filtration and cleaning regimens, wearing of masks, client education and signage, and providing vaccination clinics. The Knox County Health Department and homeless service providers held vaccination clinics in shelters and at locations accessible to unsheltered persons.

The City supported non-congregate shelter by-way of hotel/motel vouchers that supported 52 family, homeless youth, and elderly households operated by the Community Action Committee. The Knoxville-Knox County CoC used dynamic prioritization to target EHV's to households within non-congregate shelter as the program does not have sustainable future funding. The intent is to connect as many households in non-congregate shelter (NCS) with permanent housing before the program closed in March 2023. Lastly, the City used ESG-CV funds to fund a mobile shower trailer program implemented by VMC to improve the health and wellness outcomes for individuals experiencing unsheltered homelessness. The program is located in the City of Knoxville's low-barrier Safe Space—an outdoor location that provides access to restrooms and on-site security where individuals can spend time during the day. This location has Knoxville-Knox County's highest concentration of individuals experiencing homelessness, specifically unsheltered homelessness. The program provides access to showers and laundry services four days a week. Coordinated entry housing assessments are conducted onsite with individuals engaging with the program.

The City created, by Ordinance, the Knoxville Affordable Housing Fund (The Fund) in May 2021, committing \$5M a year for ten years.

The City increased its commitment to the provision of services to the homeless in PY2022 by

contributing more than \$950,000 in local homeless general funds.

The City also contributed local funding to the improvement of commercial facades in redevelopment areas, contributing to job creation and retention. The City continues to support with local funds the acquisition of blighted, vacant property in neighborhoods and provide basic maintenance through its Homemaker's program.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants? No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable.

DRAFT

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The following properties were inspected:

1. McNabb Washington Pike – No deficiencies were found.
2. Pocahontas Drive – No deficiencies were found.
3. ETHDC 2106 Sycamore – Deficiency included a tree growing too closely to the unit
4. ETHDC 2110 Sycamore – No deficiencies were found.
5. ETHDC 3425 Bishop St. – No deficiencies were found.
6. NHI Sutherland Square – Deficiencies included two loose handrails, worn carpet and flooring in tree units, two gutter leaks, three toilet issues, a missing kitchen drawer, three smoke detector issues, and one missing picket.
7. Covenant Village – No deficiencies were found.
8. ECG Southside Flats - Deficiencies include beeping smoke detectors in three units, condensation on window in three units, a missing light cover and water stain in one unit, and torn carpet in a high travel path in one unit.

All properties are inspected on the three-year required schedule. Landlords are provided a written list of deficiencies and given a reasonable amount of time to complete them. The properties are re-inspected upon completion. All tenant and rental data are reviewed during inspections.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units.

92.351(b)

IN PY2022, the City's HOME-assisted projects which contained more than 5 HOME-assisted units each increased to nine. One large affordable rehabilitation project is underway at this time. All of the projects accept tenant's rental assistance, receive project-based assistance, or have a written agreement with the City allowing preference to be given to certain underserved populations (homeless veterans, in this case). All lease to tenants from a waiting list. A majority of the tenants in the HOME-assisted units represent populations from protected classes: racial minorities, households with children, the elderly and/or those with a disability. Four of the projects are owned by CHDOs, and vacancies are posted on each of their websites and at TNHousingSearch.org. Fliers are posted at KCDC, and the Knoxville Area Urban League is notified of any vacancies. One CHDO also does outreach to social service agencies/local ministries during the year such as CAC, the Salvation Army and Knox Area Rescue Mission. One CHDO

offers all of their program materials in English and Spanish, and they have two full-time staff members who are fluent in Spanish. They work closely with Centro Hispano and offer financial literacy and homeownership classes in Spanish.

All projects with five or more units include the Fair Housing logo on their advertising, and all use social media. Project Based Voucher units are advertised through KCDC, the local housing authority. Management companies work closely with case managers from mental health, homeless, and elderly/disabled -centered programs across the city.

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

All projects with five or more units include the Fair Housing logo on their advertising, and all use social media. Project Based Voucher units are advertised through KCDC, the local housing authority. Management companies work closely with case managers from mental health, homeless, and elderly/disabled -centered programs across the city.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

HOME program income is generated by HOME-funded housing rehabilitation and property acquisition projects. During the program year, a total of \$636,517.66 in HOME program income was receipted through HUD's Integrated Disbursement and Information System (IDIS) for eligible housing activities. HOME program income in the amount of \$595,067.16 (of \$651,926.76 total HOME Program Income spent) was drawn for projects during the program year: \$441,022.33 to fund sixteen Owner-occupied Housing Rehabilitation projects, \$145,538.59 to fund two Rental Rehabilitation projects, and \$8,506.24 for Down Payment Assistance for four LMI homebuyers. Seven of the sixteen Owner-occupied Housing Rehabilitation jobs were completed, occupied by:

- Five Black/African American homeowners (one Extremely Low-Income and four Low-Income);
- Two White/Caucasian homeowners (both Low-Income);
- Two single parent households;
- Two single, non-elderly households;
- One female-headed household; and
- One elderly household.

Three of four Down Payment Assistance projects were completed in PY2022. The homebuyers/recipients included:

- Two Black/African American households (both Low-Income);
- One Black/African American and White/Caucasian household (also Low-Income);
- Two single-parent households; and
- One single, non-elderly household.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

Last week, officials broke ground for Liberty Place, a \$15M affordable apartment community that will house 32 formerly homeless military veterans.

On Sept. 7, 2023, Inskip Flats, a \$17M complex, with 66 affordable units, will officially open.

These are just the two latest public-private collaborative investments that are adding new affordable housing in Knoxville.

Since 2019, the City has invested more than \$38M on the creation of affordable housing units and leveraged \$500M in other public and private investments. The result, when everything is completed, will be more than 2,000 units available to residents with incomes below the average area income.

“We are investing more in affordable housing more than any previous administration,” says Mayor Indya Kincannon. “Addressing these issues requires a multi-faceted approach, and while we know there is still a lot of work to be done, each project does make a difference. We are committed to continuing that progress.”

Kevin DuBose, Director of the City’s Housing and Neighborhood Development department, notes that, as new affordable apartments open up, and market-rate apartments are being built, the pressure in the housing market will ease.

“Increasing Knoxville’s affordable housing stock is just one piece of a puzzle that also includes housing stability, homelessness prevention and other tools and programs that keep residents in their homes,” he says.

Additional information is available at KnoxvilleTN.gov/development and KnoxvilleTN.gov/housing.

Development	City Council district	Units	Status
Southside Flats	First	172	Complete
Restoration House	Second	30	Complete
Cottages at Clifton	Third	53	Complete
Young High Flats	First	156	Complete
Pond Gap Flats	Second	102	Complete
Dogwood Springs	Fourth	50	Complete
The Village at Holston Place	Sixth	24	Complete
The Ammons at Asheville Hwy	Sixth	80	Complete
Burlington Commons	Sixth	50	Complete
Moss Grove	Second	192	Complete
Caswell Manor	Sixth	48	Complete
Dogan-Gaither Flats	Sixth	16	Complete
Inskip Flats	Fifth	66	Complete
Callahan Flats	Third	88	Approved
Central Terrace	Fifth	112	Approved
Liberty Place	Sixth	32	Approved
First Creek at Austin – 3 phases	Sixth	446	Under Construction
Transforming Western (six- year commitment)	Sixth	380	Under Construction
		2,097	

Enhancing the Availability, Accessibility, and Quality of Affordable Housing is a high priority goal that includes the following objectives: 1) Increase Affordable Rental Housing, through New Construction and Rehabilitation; 2) Increase Affordable Owner-occupied Housing, through: Partnering with Community Housing Development Organizations (CHDOs); Down Payment and closing cost assistance to CHDO and other home buyers; and Rehabilitation; 3) Increase Permanent Supportive Housing; 4) Support Energy Conservation/Efficiency in Affordable Housing Development; 5) Provide Broadband Internet in Affordable Housing Development; and 6) Provide Tenant-Based Rental Assistance.

The City addresses these objectives in its Annual Action Plan through its Owner Occupied and Rental Housing Rehabilitation programs with CDBG and HOME funds and through CDBG funds sub-granted to CAC and NHI for emergency and minor home repairs. The City outlined in its action plan that it seeks to fund new special needs (including elderly populations) housing construction through its Rental Housing Rehabilitation program. The City supports CHDO-developed new affordable housing construction in its action plan. The City created its own, locally funded Affordable Rental Development (ARD) Fund to assist non-profit and for-profit developers of new, affordable rental housing.

The City increased its commitment to affordable housing in May 2021, by establishing an ordinance creating Knoxville’s Affordable Housing Fund. Knoxville’s Affordable Housing Fund is a ten-year, \$50 M commitment to support the creation and preservation of safe, accessible, and affordable housing. In the first two years, the City has contributed \$16.6M in local dollars to the Fund, including \$200,000 to the East Tennessee Foundation’s Affordable Housing Trust Fund to support affordable housing goals (including rental housing rehabilitation) in the city of Knoxville.

During PY2022, the City also supported private developers of affordable housing by assisting with documentation required by the State of Tennessee for tax credits through THDA.

The City and its partners, with support from affordable housing advocates, continue to find new ways to meet the housing needs of its more vulnerable residents. Addressing affordable housing concerns is a priority that supports not only the needs of local families, but also the community's efforts to revitalize neighborhoods that have experienced historical disinvestment, attract new business investment, and support workforce development, recruitment, and retention.

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