



## **Annual Action Plan Year One, Program Year 2015-2016**

### **Expected Resources**

#### **AP-15 Expected Resources – 91.220(c)(1,2)**

##### **Introduction**

The City of Knoxville has seen a decrease in HUD allocation amounts over the last five years for all of its grant programs - CDBG, HOME and ESG. The City's CDBG allocation dropped over 33%, from \$2,032,567 in PY2010-2011 to \$1,355,235 in PY2015-2016 (a difference of \$677,332). Its HOME allocation has dropped over 50% over the same time period, from \$1,391,991 in PY2010-2011 to \$690,541 in PY2015-2016 (a difference of \$701,450). The City's ESG allocation has been unpredictable over the last five years - an increase in PY2011-2012 of over 75%, to \$146,665, to a 22% decrease the following year to being cut altogether for at least two program years: PY2014-2015 and PY2015-2016.

As for the ESG cut, it is our understanding that American Community Survey (ACS) data showed a decrease in general population from the City of Knoxville, not a decrease in homeless people or need. Fortunately, the City has identified other resources to offset the loss of ESG funds. The State of Tennessee allocated \$130,308 of its ESG funds from HUD to the City of Knoxville for PY2014-2015. The City expects the State to do the same for the PY2015-2016 year as well. The City of Knoxville also allocated its own general funds to support homeless service activities during PY2014-2015.

Program income and carryover funds (funds left unspent from previous years) for both the CDBG and HOME programs help to offset the allocation reductions to some degree, although, it is expected that any benefit from those funds will be fairly short-lived. Program income will wane as HUD allocations allow fewer new loans to homeowners. Rules requiring that program income funds be spent first and deadlines for expending entitlement funds (what's allocated to the City) hamper the City's efforts to do smaller-scale rehabilitations activities (the way we receive program income) are more labor intensive and take more time. As the HOME rules change, we have to expend funds more quickly it will reduce the amount of smaller, single family homeowner activities we can do.

The other significant concern potentially, is HUD's move to eliminating the FIFO (first in, first out) rule for spending down funds, beginning in PY2015-2016. Currently, the City can hold in reserve funds for activities that take a little longer to complete. With the rule change, each year's grant funds will be

tracked by the year. If there is no change with program income being required to be drawn first, it will be challenging to spend each year's entitlement funds fully, putting future funds in jeopardy.

We have based the figures below on the assumption that the City's funding allocations for future years will continue to decrease. We conservatively estimated that the City's CDBG allocations will continue to be reduced by about 4% per year; HOME allocations will be cut by about 13% per year; and a direct ESG allocation will be reinstated to the City by PY2016-2017.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,355,235	250,000	1,134,110	2,739,345	6,450,100	A conservative estimate of a 4% decrease in the CDBG HUD Allocation each year was used to estimate across years 2016-2019.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	690,541	600,000	725,045	2,015,586	4,600,362	A conservative estimate of a 12% decrease in the HOME HUD Allocation each year was used to estimate across years 2016-2019.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	0	0	0	0	255,000	The City expects its ESG allocation to be reinstated in PY2016-2017 at \$85,000 per year.

**Table 1 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

On February 10, 2015, Community Development received notice of the 2015 formula allocations for Program Year One. The City received a 4% decrease in CDBG and a 12% decrease in HOME from the prior year’s allocation. Unfortunately, the City did not get its direct allocation of ESG funds reinstated. The total amount of funding for the two formula grants is \$2,045,776. For anticipated allocations for the remainder of the Consolidated Plan, the City estimates reflect a 4% reduction each year for CDBG and a 12% reduction of HOME each year. It is hoped that the City will get its direct allocation of ESG funds reinstated in PY2016. These budget estimates do not include program income estimates or match requirements. Currently, the City is in year two of a three year Lead Hazard Control and Healthy Homes Grant of \$2.5 million. Although the City anticipates a renewal of its HUD Healthy Homes Lead based Paint Remediation grant, it’s not clear if it will be renewed or how much funding will be received. Also, while neither the allocation process, nor the funding for the new federal Housing Trust Fund is clear, the City is hopeful this fund will help rental housing initiatives for very low income households in Knoxville. The City will also continue to investigate and make application for additional funding streams that remain consistent with its mission and those that will also further the goals of the Consolidated Plan. The City will also continue to work with its partners in the community to encourage each of them to continue to leverage available funding sources and build capacity.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan:**

The City of Knoxville owns vacant and improved property throughout the jurisdiction, most of which has been acquired over the years to address slum and blight. In this Consolidated Plan, the City has plans for acquiring additional properties leading to the redevelopment of a portion of the Lonsdale neighborhood into a 'Model Block.' The Lonsdale Model Block program will involve the acquisition a total of eight properties on the northwest side of Texas Avenue. Some will be used for buildable lots, but some may be incorporated into the storm water infrastructure for the Lonsdale neighborhood. In the first year of the Consolidate Plan, the City intends to complete a feasibility study related to this infrastructure.

Other properties owned by the City are made available through the City's Homemakers program or to Community Housing Development Organizations (CHDO) for the development of affordable housing.

**Discussion**

Program income and carryover funds (funds left unspent from previous years) for both the CDBG and HOME programs help to offset the allocation reductions to some degree, although, it is expected that any benefit from those funds will be fairly short-lived. Program income will wane as HUD allocations allow fewer new loans to homeowners. Rules requiring that program income funds be spent first and deadlines for expending entitlement funds (what's allocated to the City) hamper the City's efforts to do smaller-scale rehabilitation activities. The City foresees that changes in the expenditure rules will necessitate funding of larger 'ready to start' activities and will reduce the amount of smaller, time-consuming activities that can be completed.

The other significant concern potentially, is HUD's move to eliminating the FIFO (first in, first out) rule for spending down funds, beginning in PY2015-2016. Currently, the City can hold in reserve funds for activities that take a little longer to complete. With the rule change, each year's grant funds will be tracked by the year. If there is no change with program income being required to be drawn first, it will be challenging to spend each year's entitlement funds fully, putting future funds in jeopardy.

# Annual Goals and Objectives

## AP-20 Annual Goals and Objectives

### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	City of Knoxville Blighted Property Acquisition and Maintenance	2015	2016	Affordable Housing Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods	CDBG: \$328,147 HOME: \$0 ESG: \$0	Lots Acquired: 10  Housing Code Enforcement/Foreclosed Property Care: 80 Household Housing Unit
2	City of Knoxville Blighted Property Redevelopment	2015	2016	Affordable Housing Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods	CDBG: \$300,000 HOME: \$0 ESG: \$0	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 40 Households Assisted
3	East Tennessee Community Design Center Design and Technical Assistance	2015	2016	Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Promote Affordable Housing	CDBG: \$40,000	Other: 12 Other
4	City of Knoxville Commercial Facade Improvement Program	2015	2016	Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods Promote Economic Development	CDBG: \$250,000	Facade treatment/business building rehabilitation: 4 Businesses  Businesses assisted: 4 Businesses Assisted
5	Section 108 Loan Guarantee Program	2015	2016	Economic Development	City of Knoxville	Promote Economic Development	Section 108 Loan Guarantee	Jobs created: 83

6	City of Knoxville Public Facility Improvement	2015	2016	Homeless, Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness	CDBG: \$70,000 ESG: unknown at this time	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 120 Households Assisted
7	Public Services	2015	2016	Homeless and Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness Promote Affordable Housing	CDBG: unknown at this time ESG: unknown at this time	Unknown at this time the number of households assisted
8	City of Knoxville Owner Occupied Housing Rehabilitation Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Affordable Housing	CDBG: \$561,536 HOME: \$1,007,000	Homeowner Housing Rehabilitated: 19 Household Housing Units
9	Knoxville Habitat for Humanity - Owner Occupied Housing Rehab/Lot Clearance Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Affordable Housing	HOME: \$75,000	Homeowner Housing Rehabilitated: 5 Household Housing Units
10	Knoxville Knox County Community Action Committee (CAC) Emergency/Minor Home Repair Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness Promote Affordable Housing	CDBG: \$400,000	Homeowner Housing Rehabilitated: 108 Household Housing Units
11	Neighborhood Housing, Inc. (NHI) Operation Back Yard Minor Home Repair Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness Promote Affordable Housing	CDBG: \$85,000	Homeowner Housing Rehabilitated: 40 Household Housing Units
12	Neighborhood Housing, Inc. (NHI) Accessibility Modification Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness Promote Affordable Housing	CDBG: \$15,000	Homeowner Housing Rehabilitated: 8 Household Housing Units (ramps, handrails, etc.)

13	Knoxville Knox County Community Action Committee (CAC) Weatherization, Health and Safety Program (Energy Efficiency Improvements)	2015	2016	Affordable Housing	City of Knoxville	Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	CDBG: \$250,000	Homeowner Housing Rehabilitated: 72 Household Housing Unit
14	City of Knoxville Rental Housing Rehabilitation and Development Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Reduce and End Homelessness Promote Affordable Housing	CDBG: \$118,615 HOME: \$494,532	Rental units rehabilitated/developed: 18 Household Housing Unit
15	CHDOs New Affordable Housing Construction	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Affordable Housing	HOME: \$175,000	Homeowner Housing Added: 7 Household Housing Unit
16	City of Knoxville Down payment and Closing Cost Assistance Program	2015	2016	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Affordable Housing	HOME: \$135,000	Direct Financial Assistance to Homebuyers: 9 Households Assisted

## Goal Descriptions

1	Goal Name	Blighted Property Acquisition and Maintenance
	Goal Description	<p>To improve and promote quality of life in neighborhoods, the City of Knoxville will fund \$328,147 (see breakdown below) in CDBG funds to operate programs and fund activities for the acquisition and maintenance of properties to mitigate the negative impact of blighted properties. Includes project delivery costs.</p> <ul style="list-style-type: none"> <li>• City of Knoxville Model Block Program – A block of formerly blighted properties is being acquired in the Lonsdale Community to be redeveloped into affordable owner-occupied housing. Thirty-two of 40 lots have been acquired so far leaving <b>8</b> additional lots/properties to be acquired with \$206,532 in CDBG funds. This is an ongoing project that will have design guidelines and be completed by several different non-profit housing developers.</li> <li>• Blighted property acquisition – \$61,615 in CDBG funds for acquisition and disposition of <b>2</b> residential and/or commercial properties to mitigate the negative impact of blighted properties.</li> <li>• \$35,000 in CDBG funds for the maintenance of <b>80</b> blighted and abandoned lots that will eventually be redeveloped, by using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</li> <li>• \$25,000 in CDBG funds will pay for project delivery expenses.</li> </ul>
2	Goal Name	Blighted Property Redevelopment
	Goal Description	<p>To improve and promote quality of life in neighborhoods, the City of Knoxville will fund \$300,000 in CDBG funds to operate programs and fund activities for the design of infrastructure and redevelopment of properties to mitigate the negative impact of blighted properties.</p> <ul style="list-style-type: none"> <li>• City of Knoxville Model Block Program - Design of infrastructure (streets, sidewalks, alleys, etc.) and re-platting of <b>40</b> lots into affordable housing eventually.</li> </ul>
3	Goal Name	Design and Technical Assistance
	Goal Description	<p>To improve and promote quality of life in neighborhoods, the City of Knoxville will fund planning and design technical assistance to build the capacity of resident and stake-holder led organizations and other agencies focused on neighborhood stabilization projects.</p> <ul style="list-style-type: none"> <li>• Subcontract with East Tennessee Community Design Center for \$40,000 in CDBG funds for design and technical assistance to <b>12</b> organizations, agencies, developers focused on neighborhood stabilization projects.</li> </ul>



4	Goal Name	Commercial Façade Improvement Program
	Goal Description	<p>In order to promote economic development and the improvement of quality of life in neighborhoods, the City of Knoxville will use \$250,000 in CDBG funds (see breakdown below) to operate the Commercial Façade Improvement Program. The Commercial Façade program is a deferred payment loan program for exterior improvements to commercial businesses located in LMI areas to improve property values, create jobs and enhance commercial viability.</p> <ul style="list-style-type: none"> <li>• The City of Knoxville will operate the Commercial Façade program that will use \$225,000 in CDBG funds to improve the appearance of <b>4</b> commercial buildings in redevelopment areas as well as assist businesses in expanding their operations, resulting in job creation. Construction work will be completed by using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</li> <li>• \$25,000 in CDBG funds will pay for project delivery expenses.</li> </ul>
5	Goal Name	Section 108 Loan Guarantee Program
	Goal Description	<p>In order to promote economic development and the improvement of quality of life in neighborhoods, the City intends to submit an application to HUD for funding to assist in the rehabilitation of the former Farragut Hotel building located at 530 South Gay St. in downtown Knoxville. Currently, this building is vacant and dilapidated. The plan for the redevelopment of the building includes a hotel, event space and retail space which will create <b>83</b> jobs. The amount of the Section 108 loan is estimated at \$2.9 million.</p>
6	Goal Name	Public Facility Improvement
	Goal Description	<p>In order to reduce and end homelessness and promote economic development, the City will support public facility improvements at Samaritan Place, a program of Catholic Charities of East Tennessee. Samaritan Place provides emergency, transitional, and long-term supportive housing and intensive case management to homeless senior citizens. CDBG funds in the amount of \$70,000 will be used for roof replacement at Samaritan Place, by using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</p>
7	Goal Name	Public Services
	Goal Description	<p>To improve and promote quality of life in neighborhoods, prevent and reduce homelessness, and promote affordable housing, the City of Knoxville may fund public services that benefit LMI households, including Fair Housing activities. This is a low priority activity due to lack of financial resources. The specifics of future activities are unknown at this time.</p>

8	Goal Name	Owner Occupied Housing Rehabilitation
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund \$471,250 in CDBG and \$1,007,000 in HOME to operate the Owner Occupied Housing Rehabilitation program (see funding breakdown below). The program involves the rehabilitation of single family homes owned by LMI persons and constructed by using Section 3 businesses/contractors and subcontractors to the maximum extent feasible. Improvements focus on code violations, energy efficiency and health/safety issues. Includes project delivery costs.</p> <ul style="list-style-type: none"> <li>• The City of Knoxville will use \$280,286 in CDBG funds and \$1,007,000 in HOME funds for the operation of an owner-occupied housing rehabilitation program that will benefit <b>19</b> LMI homeowners who need code related repairs on their homes. The City of Knoxville currently requires <i>Energy Star New Homes</i> certification for all replacement homes built under the City’s rehabilitation program and the maximum energy efficiency, with a minimum of Energy Star certification for rehabilitated houses.</li> <li>• \$191,250 in CDBG funds will pay for project delivery expenses.</li> </ul>
9	Goal Name	Owner Occupied Housing Rehabilitation and Lot Clearance
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund \$75,000 in HOME funds for rehabilitation of single family homes and lot clearance costs of housing that will be resold to LMI persons, by using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</p> <ul style="list-style-type: none"> <li>• Knoxville Habitat for Humanity will use \$75,000 in HOME funds to provide single family housing rehabilitation and lot clearance to <b>5</b> foreclosed properties to eventually be resold to LMI households.</li> </ul>
10	Goal Name	Emergency Home Repair
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund emergency/minor home repairs in LMI owner-occupied homes, using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</p> <ul style="list-style-type: none"> <li>• The Knoxville Knox County Community Action Committee (CAC) will use \$400,000 in CDBG funds to provide <b>108</b> LMI homeowners with code-related, basic life and safety repairs to their homes.</li> </ul>
11	Goal Name	Minor Home Repair
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund minor home repairs in LMI owner-occupied homes, using Section 3 businesses/contractors and subcontractors using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</p> <ul style="list-style-type: none"> <li>• Knoxville Leadership Foundation’s Neighborhood Housing, Inc. (NHI) will use \$85,000 in CDBG funds to provide <b>30</b> LMI homeowners with minor home repairs (mostly exterior) using volunteers mostly to assist with labor through their Operation Back Yard program.</li> </ul>

12	Goal Name	Accessibility Modifications
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund accessibility modifications – ramps, handrails and other exterior or interior features that assist owner and renter-occupied LMI households who have disabilities. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible.</p> <ul style="list-style-type: none"> <li>• Knoxville Leadership Foundation’s Neighborhood Housing, Inc. (NHI) will use \$15,000 in CDBG funds to provide <b>8</b> LMI homeowners and renters with accessibility modifications, using volunteers mostly to assist with labor.</li> </ul>
13	Goal Name	Energy Efficiency Improvements
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund energy efficiency improvements/weatherization improvements to both homeowner and renter-occupied LMI households, using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</p> <ul style="list-style-type: none"> <li>• The Knoxville Knox County Community Action Committee (CAC) will use \$250,000 in CDBG funds to operate the Weatherization, Health and Safety program to assist <b>72</b> LMI homeowners and renters with energy efficiency, health and safety related improvements.</li> </ul>
14	Goal Name	Rental Housing Rehabilitation and Development
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will fund \$208,615 in CDBG and \$494,532 in HOME funds to operate the Rental Housing Rehabilitation program (see funding breakdown below). The program involves the rehabilitation and/or development of units to be occupied by LMI renters. Improvements focus on code violations, energy efficiency and health/safety issues. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible. Includes project delivery costs. The City will continue to require the maximum energy efficiency, with a minimum of Energy Star certification.</p> <ul style="list-style-type: none"> <li>• The City of Knoxville will use \$24,865 in CDBG funds and \$494,532 in HOME funds to provide <b>18</b> LMI households with rehabilitation and/or develop up to 18 units.</li> <li>• \$183,750 in CDBG funds will pay for project delivery expenses.</li> </ul>

15	Goal Name	New Affordable Housing Construction (CHDO s)
	Goal Description	<p>To promote affordable housing, improve and promote quality of life in neighborhoods, and promote economic development, the City of Knoxville will fund New Affordable Housing Construction/LMI housing development that will be implemented by locally designated Community Housing Development Organizations (CHDO s). A minimum of 15% of HOME funds per year must go to CHDO designated projects/activities. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible. The City of Knoxville currently requires <i>Energy Star New Homes</i> certification for any new home built by a nonprofit CHDO partner. The City of Knoxville is committed to promoting visitability to the greatest extent possible in all of the housing development projects.</p> <ul style="list-style-type: none"> <li>• CHDO partners will use \$175,000 in HOME/CHDO funds to construct <b>7</b> new affordable homes for LMI households.</li> <li>• CHDO operating – Operating funds may be used for CHDO s to build organizational capacity.</li> </ul>
16	Goal Name	Down payment and Closing Cost Assistance
	Goal Description	<p>To promote affordable housing and improve and promote quality of life in neighborhoods, the City of Knoxville will fund down payment and closing cost assistance for LMI CHDO homebuyers.</p> <ul style="list-style-type: none"> <li>• The City of Knoxville will use \$135,000 in HOME funds to operate a Down Payment and Closing Cost Assistance program that will assist <b>9</b> LMI homebuyers of CHDO-developed housing.</li> </ul>

### Administration Costs

Administration expenses are allowed in CDBG, HOME and ESG programs. For CDBG, up to 20% of the HUD allocation and up to 20% of CDBG program income may be used for general administrative expenses each year. The HOME program allows up to 10% of the HUD allocation and up to 10% of HOME program income to be used for administrative expenses each year. The ESG program allows up to 7.5% of the HUD allocation to be used for administrative expenses related to the ESG program each year.

The City may use up to \$321,047 in CDBG funds, which is 20% of \$1,355,235 (PY2015 HUD grant allocation) plus 20% of \$250,000 (estimated program income for PY2015) for CDBG general administrative expenses in PY2015. It is also anticipated that the City may use up to \$129,054 in HOME funds, which is 10% of \$690,541 ((PY2015 HUD grant allocation) plus 10% of \$600,000 (estimated program income for PY2015) for general administrative expenses related to the HOME program in PY2015. The City will not use any federal ESG funds for administration in PY2015, as it is not receiving a direct allocation of ESG from HUD for PY2015.

# Projects

## AP-35 Projects – 91.220(d)

### Introduction

This section will be included in the final plan, as it's essentially a duplication of the above, but in the federal IDIS system.

### Projects

#	Project Name

Table 2 – Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priorities are based on public input, the needs assessment, and market analysis and other data analysis.

Obstacles to addressing needs include lack of funding and restrictions on funding.

## **AP-38 Project Summary**

### **Project Summary Information**

This section will be included in the final plan, as it's essentially a duplication of the above, but in the federal IDIS system.

## **AP-50 Geographic Distribution – 91.220(f)**

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
City of Knoxville	100

**Table 3 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The Five-Year Consolidated Plan projects and activities serve low- to moderate-income residents and neighborhoods within the City of Knoxville. Knoxville is the third largest city in the state and the largest city in East Tennessee, with a population of 179,085, according to CHAS data, 2007-2009 (or 183,270 in 2013). The City boundary comprises 103.8 square miles.

### **Discussion**

The City of Knoxville has one target area, the entire city. The City may choose to add more localized target or strategy areas later, as needs and/or opportunities arise. Projects and activities are focused in low-moderate income areas, aka redevelopment areas, and serve low and moderate income individuals and families throughout the City of Knoxville.

# Affordable Housing

## AP-55 Affordable Housing – 91.220(g)

### Introduction

The City of Knoxville Community Development Department will allocate 73% of its CDBG and 94% of its HOME funds for PY2015 to affordable housing activities.

Of the \$2,006,683 in CDBG funds allocated to affordable housing: \$70,000 will fund a roof replacement on a homeless facility; \$1,179,036 will fund owner-occupied rehabilitation activities; \$251,115 will fund rental rehabilitation activities; \$206,532 will be used to acquire blighted properties for eventual development into affordable housing; and \$300,000 will be used to fund infrastructure to acquired properties that will be developed into affordable housing.

Of the \$1,886,532 in HOME funds allocated to affordable housing: \$1,082,000 will fund owner-occupied housing rehabilitation; \$494,532 will fund rental rehabilitation activities; \$175,000 will fund new owner occupied housing construction through the City's CHDO s; and \$135,000 will fund down payment and closing cost assistance to CHDO homebuyers.

One Year Goals for the Number of Households to be Supported	
Homeless	120
Non-Homeless	271
Special-Needs	8
Total	399

Table 4 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	7
Rehab of Existing Units	260
Acquisition of Existing Units	8
Total	275

Table 5 - One Year Goals for Affordable Housing by Support Type



## **Discussion**

Homeless persons benefitted=120

Owner Occupied Households benefitted with housing rehabilitation=212

Rental Households benefitted with rehabilitation=18

New Home buyers benefitted with housing units=7

New Home buyers benefitted with down payment and closing cost assistance=9

New lots acquired to become affordable housing=8

Infrastructure improvements to make properties developable into affordable housing=40

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

KCDC continues to be a valuable partner in providing affordable, accessible housing in the City of Knoxville. This section describes their actions planned in year one of their plan.

### **Actions planned during the next year to address the needs to public housing:**

#### **In PY2015 KCDC intends to:**

- Apply for additional Section 8 VASH vouchers for Veterans, should they become available.
- Continue Five Points Master Plan Implementation
- Complete 90 Unit Elderly Designated LIHTC Property; Upon completion of above, apply for demolition contract for Taylor/Williams

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership:**

#### **In PY2015 KCDC intends to:**

- Continue Section 8 Home Ownership Program
- Encourage Resident Association Participation
- Implement Resident Incentive Program

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable.

### **Discussion**

KCDC's plans for PY2015 dovetail with the City of Knoxville's plans for increasing affordable, accessible rental housing. As part of the Five-Points Master Plan, KCDC has applied for low-income housing tax credits to develop 90 units of senior housing on the Walter P. Taylor/Williams footprint. This will enable relocation of existing Walter P. Taylor residents to the new housing, and demolition of Taylor/Williams units. The City of Knoxville continues to contribute local, general fund dollars (\$800,000 annually) to this revitalization effort.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Knoxville is not currently receiving (in PY2014) Emergency Solutions Grant (ESG) funding from HUD and does not expect to receive a direct allocation of ESG funds until after PY2015. However, the State of Tennessee, through the Tennessee Housing Development Agency (THDA), has allocated a portion of its ESG allocation from HUD to the City of Knoxville for the current program year (2014). The City hopes that THDA will allocate a portion of its 2015 funds to the City as well. The City of Knoxville administration and City Council have also allocated local general funds to homeless activities.

Based on information in the 2014 Housing Inventory Count for the Knoxville-Knox County Continuum of Care, this community provides a significant array of shelter, services and housing for the homeless. A large part of those beds and services slots are available to serve broad needs, but there are also some that are designated to serve specific populations and needs. Households with adults and children are served with a number of designated emergency shelter beds, with the majority of those designated specifically for families that are escaping domestic violence situations. Rapid Re-housing programs provide families with help to gain access to permanent housing. Chronically homeless households and military veteran benefit from designated permanent supportive housing beds, both in specialized housing developments and in scattered-site locations supported with housing choice vouchers. Unaccompanied youth have been served with runaway shelter beds, which are being replaced with a scattered-site program model.

This community has an additional need for emergency shelter, transitional housing, and affordable permanent housing for families with children; of particular note is the need to accommodate families in various configurations without breaking up the family unit, including single men with children, families with adolescent male children, etc. There is also an additional need for services, rapid re-housing, and permanent supportive housing for military veteran families and individuals.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

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

Street outreach programs are provided through CAC Homeward Bound, Helen Ross McNabb Center's PATH program, Positively Living and others. Outreach is conducted to inform unsheltered persons of available resources and to encourage them to take advantage of these resources. The Homeless Coalition convenes an interagency workgroup to coordinate efforts and resources to work with particularly challenging cases in order to get them off the streets, into permanent housing and connected with appropriate resources.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

This jurisdiction's community homelessness plan seeks to coordinate and improve our emergency and transitional housing resources. In particular, the focus is on achieving positive outcomes for each individual family, and measurement of success in gaining access to permanent housing and needed

resources, rather than ongoing distribution of meals, shelter nights and so forth.

**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**

This jurisdiction is implementing several rapid re-housing initiatives, with a focus on shortening duration of homelessness, gaining access to appropriate, affordable, permanent housing, and gaining access to appropriate services and resources that will help each individual and family become stabilized in permanent housing. Programs are focused in particular on chronically homeless individuals and families, as well as veteran households and families.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: 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); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

This jurisdiction is seeking to implement targeted homelessness prevention efforts that can successfully identify families and individuals at immediate risk of homelessness and provide the appropriate intervention that will prevent homelessness. Already this jurisdiction is implementing an initiative to provide case management for disabled and elderly public housing residents who are identified as being in immediate danger of eviction. Case management services have proved highly effective at remedying the circumstances that would cause eviction and helping the tenants remain stably housed. The local utility service is coordinating with the Knoxville-Knox County CAC to fund and carry out a weatherization program targeted to low income residents whose high utility bills are likely to endanger their ability to remain housed. Knoxville Utilities Board will be implementing a program to round up customers' utility bills to the nearest dollar and to use the funds raised to pay for the weatherization program. This jurisdiction will continue to look for other similar interventions that can prevent homelessness by stabilizing individuals and families in their existing housing.

## **Discussion**

The City hopes that HUD will begin funding ESG directly to the City in program year 2016.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The City has identified the following barriers to developing affordable housing:

- Complexity of the Development Process;
- Acquiring and Assembling Inner City Parcels;
- Increasing Cost of Development;
- Lack of Available Government Programs and Subsidies; and
- Choice in Affordable Housing Location.

### **Actions it planned 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**

In order to address barriers to affordable housing, the City will pursue the strategies outlined below.

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

The City continues to administer redevelopment areas, including Five Points and Lonsdale. These areas contain properties that have remained undeveloped or underutilized for several years due to marketability or title problems. The City will continue to acquire abandoned property to clear title issues and offering lots for sale for redevelopment. Blighted properties throughout the city are acquired with City general funds and marketed through the Homemakers Program. The properties sold through the Homemakers program are redeveloped, eliminating the blight and improving neighborhood stability.

The City is encouraging alterations to designs of infill housing that make the new housing fit in better with the older existing homes. Design guidelines have been developed for use in redevelopment areas and for all City subsidized infill houses. This effort includes descriptions and illustrations of low cost modifications builders can make. In the long run, this will help maintain high property values for buyers and should have a substantial impact on neighborhood image and marketability. An I-H Zoning applies the infill guidelines area wide in selected neighborhoods. The City adopted an amendment to the zoning ordinance that makes development of substandard inner city parcels more feasible, reducing the time line and approval process in many cases.

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

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

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

Choice in Affordable Housing Location: Development of affordable housing opportunities outside of Low Mod Areas and/or areas of racial or minority concentration means that low-moderate income people/households have more choice in where to live, access to jobs and schools of their choice, and ultimately the opportunity to transition out of poverty. Choice in affordable housing location is restricted by decreasing financial resources to develop new affordable housing, land/property prices in non Low Mod Areas, public transit availability, to name a few. The City is committed to householder choice in location of affordable housing wherever feasible. The City will continue to develop affordable housing in Low Mod Areas and/or areas of racial or minority concentration to mitigate the impact to displaced LMI households where City/KCDC revitalization efforts occur. The City will work with HOME program resources and CHDO developers to develop more affordable housing outside of Low Mod Areas and/or areas of racial or minority concentration. The City will also review the Tax Credit applications it receives for endorsement inside the city for development of more affordable housing opportunities outside of Low Mod Areas and/or areas of racial or minority concentration.

#### **Discussion:**

New programs have been designed to encourage private investment in older neighborhoods. Previously, incentives targeted to assist and encourage residential development were developed independently from commercial incentives. Policies on redevelopment try to coordinate residential redevelopment with adjacent neighborhood commercial development so that both come on line at the same time. This serves to support both efforts.

Additionally, mixed use development that combines ground floor use with upper level housing use is underway downtown as well as in smaller commercial nodes outside of the City center. The City’s Commercial Façade Improvement program provides funds to assist in such development.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

This section concerns other actions to address: obstacles to meeting underserved needs; fostering and maintaining affordable housing; lead based paint hazards; reducing the numbers of poverty level families; to develop institutional structure; and to enhance coordination between public and private housing and social service agencies.

### **Actions planned to address obstacles to meeting underserved needs**

Current funding levels and funding restrictions inhibit the ability to meet all needs. The City continues to meet many community needs in our priority categories. The City encourages conversations between agencies in an effort to meet community needs in a coordinated way.

#### **Affirmatively Furthering Fair Housing**

As part of its Sustainable Communities Regional Planning Grant, the City of Knoxville, through PlanET, completed a Fair Housing and Equity Assessment (FHEA) and documented issues that impact housing equality.

The Final Consolidated Plan will have the Plan East Tennessee Equity Profile attached. However, the Equity Profile can be viewed at: <http://www.planeasttn.org/Learn/RegionalAssessments.aspx>

From the PlanET website: The PlanET Equity Team was created to ensure that equity and access to opportunity are a core part of the PlanET effort. The PlanET Equity Team values creation of a region where there is access to opportunity, economic prosperity and inclusion, and an intention to build long term capacity to create fair, just, and impartial communities. The PlanET Equity Team will ensure that equity is a core part of the fabric of PlanET by focusing on: Prioritizing outreach efforts for those in our region identified as the most negatively affected by inequity; Leading and organizing in the development of the PlanET Fair Housing and Equity Assessment (FHEA) and ensuring its inclusion and actionable impact within our region; and Participating in all PlanET Working Group meetings.

The Plan East Tennessee Equity Profile (see attached) published in March 2014 gives the following recommendations for “creating a stronger, more equitable East Tennessee”:

- Support and promote mixed use zoning to encourage housing located near commercial and retail development;
- Create incentives to preserve or establish affordable housing located near job centers;
- Incentivize rehabilitation of blighted property that is located near public transportation routes
- Incentivize new businesses that offer “company” transportation or bus service to employees living in rural or less densely populated areas
- Continue to track data over time and share data with other community partners
- Support workforce development initiatives
- Get involved with community organizations and efforts that promote equity and access to opportunity.

The Conclusion from the Equity profile says, "Inequity and barriers to opportunity adversely affect our region's people, health, and economy. By gathering and sharing quantitative and qualitative information that had never before been assembled for our region, the Equity Profile lays the groundwork for future efforts to increase awareness and remove obstacles to equity and opportunity. The Equity Profile is the first step in a long process to becoming a more equitable region." The PlanET Equity Group continues to meet quarterly to provide information and recommendations to the City on issues of equity.

The City will also continue to conduct the following activities that affirmatively further fair housing:

- Counseling and referrals, as necessary, to the Tennessee Human Rights Commission.
- Education and outreach to residents, housing providers, lenders, social/human service and general community.
- Dissemination of information to the local news media on fair housing and equality issues and activities.
- Participation in training sessions, workshops, and conferences.
- Developing and Promoting Fair Housing training with landlords who participate/are interested in participating in the City's Rental Housing Rehabilitation and Development program.
- Visible placement of equal opportunity housing logo on relevant City publications and housing programs that use City, CDBG, HOME, and ESG funding.
- Staff support and/or technical assistance to the Equality Coalition for Housing Opportunity, the Council On Disability Issues, Disability Resource Center, Knoxville-Knox County Homeless Coalition, and Dr. Martin Luther King Jr. Commemoration Commission.
- Operation and/or funding of programs which promote housing opportunities, such as homeownership education and down payment assistance, housing improvements, and new housing development.
- Monitoring and studying fair housing and equal opportunity compliance.
- Promoting applicable civil rights legislation and regulations relative to fair housing and equal opportunity.

#### Anti Displacement Policy

Community Development's goal is to minimize the displacement of persons, and the Community Development department has developed a plan that defines the types and levels of assistance that is provided to a person who is displaced. Displacement might occur, for example, when a major rehabilitation project is undertaken on someone's house or apartment complex/building. The City, under the Uniform Relocation Act (URA), will provide relocation assistance to any federally-funded rehabilitation project or neighborhood revitalization activity the City undertakes.

#### Accessibility/LEP

To serve all citizens, Community Development will provide Braille materials, materials recorded on audiocassettes, and interpreters for the hearing impaired with a week's prior notice of special needs.

Community Development is committed to meeting the needs of non-English speaking residents in the case of public hearings where a significant number of non-English speaking residents are expected to participate. Foreign language interpreters and materials translated in the appropriate language will be provided with a week's prior notice of need.



The City is supporting a local CHDO who works primarily in a redevelopment neighborhood with a large Spanish speaking population. The CHDO will be hiring a Spanish speaking financial coach who will work one on one with potential homebuyers to help them reach their goals, including homeownership.

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

### **Actions planned to foster and maintain affordable housing**

To help foster and maintain affordable housing, the City of Knoxville will facilitate the development of an affordable housing focus group that will meet once quarterly to discuss affordable housing needs.

### **Actions planned to reduce lead-based paint hazards**

In August 2013, the City was awarded a Lead Hazard Control Grant from HUD's Office of Healthy Homes and Lead Hazard Control in the amount of \$2.5 million to be spent by July 2016. With these funds, the City was able to add lead testing and abatement to all home repair programs. The City will continue to implement the HUD regulations for elimination of lead based paint hazards.

The program to identify lead based paint hazards is an integral part of the total process for housing rehab. All pre-1978 built City of Knoxville houses, which are identified for the rehab program, receive a lead hazard screen/lead based paint testing to determine if a lead hazard exists. If a lead hazard is identified, a Risk Assessment is prepared to define the hazard(s) and to define the remediation necessary to eliminate hazard(s). The actual remediation work is accomplished as a part of the rehab work. All lead based paint inspections and Risk Assessments are prepared by third party subcontractors or certified Rehab Specialist staff.

These actions will reduce the number of housing units in the City with lead-based paint hazards and increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families. The City has Rehab Specialist staff certified as Healthy Homes Specialist with the National Environmental Health Association. Healthy Homes measures are carried out on rehab projects to reduce the number of health and safety risk within the homes.

The Community Development Department will continue to offer free or low-cost training opportunities to local contractors in the lead-based paint remediation field. These training events are provided in order to build upon the capacity of the local contractors, in hopes they will obtain their State of TN Lead Firm license. By increasing the number of local lead firms, a more broad selection of companies of which to do business with exists.

### **Actions planned to reduce the number of poverty-level families**

The Community Development Department implements programs that benefit low and moderate income individuals, families and neighborhoods in an effort to reduce poverty and improve the quality of life.

Programs that create home ownership opportunities provide LMI families with the ability to build wealth while serving to stabilize neighborhoods. Housing rehabilitation results in lower energy costs and savings to the homeowners. Economic development programs, such as the commercial façade program, create job opportunities in LMI neighborhoods by improving the business’s ability to attract customers and grow. Development of affordable rental housing for LMI families and individuals increases their opportunity to save income and become self-sufficient.

The City of Knoxville, in cooperation with KCDC, the city’s redevelopment authority, implements redevelopment plans in low and moderate income areas to strengthen public and private investment and create job opportunities and neighborhood revitalization.

All families participating in Community Development programs will see an improvement in their economic condition and it is anticipated that the number of families in poverty will be reduced.

### **Actions planned to develop institutional structure**

The Consolidated Plan and Annual Action Plans are guided by and in coordination with the plans, programs, and initiatives of Community Development’s partner agencies, some of which are listed below. The Community Development Department has staff representation on many of these committees and task forces.

City of Knoxville	<ol style="list-style-type: none"><li>1. Energy Efficiency and Conservation Block Grant program</li><li>2. Solar Cities Initiative</li><li>3. Sustainability Office</li><li>4. Knoxville’s Plan to Address Homelessness</li><li>5. Homelessness Prevention and Rapid Re-housing (HPRP) program</li><li>6. Plan East Tennessee</li><li>8. Empowerment Zone Initiatives and continuing revolving loan funds</li><li>9. City-County Vacant Properties Committee</li><li>10. City Capital Budget-funded programs</li><li>11. Knoxville Police Department Initiatives</li></ol>
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	<ul style="list-style-type: none"> <li>12. Codes Enforcement activities and “sweeps.”</li> <li>13.Parks &amp; Recreation and Greenways plans</li> <li>13.Cumberland Avenue / Fort Sanders Long Range Planning Process</li> <li>14.Downtown North Redevelopment activities</li> <li>15.Mayor’s Economic Development Committee</li> <li>16.Mayor’s Council on Disability Issues (CODI)</li> <li>17.Visitability study</li> <li>18.Neighborhood Advisory Council</li> </ul>
Metropolitan Planning Commission <i>and</i> Knoxville Regional Transportation Planning Organization (TPO)	<ul style="list-style-type: none"> <li>1. Sector and Corridor Plans</li> <li>2. TPO regional plans (e.g., Complete Streets)</li> <li>3. Bicycle Plan</li> <li>4. Joint City/County Task Force on Ridge, Slope and Hillside Development and Protection</li> </ul>
Knoxville’s Community Development Corporation (KCDC)	<ul style="list-style-type: none"> <li>1. Redevelopment Plans (Lonsdale, Mechanicsville, etc.)</li> <li>2. HOPE VI – (planned)</li> <li>3. Five Year and annual plan</li> </ul>
Knoxville Area Transit	<ul style="list-style-type: none"> <li>1. Public Transportation plans</li> </ul>
Knox County Schools	<ul style="list-style-type: none"> <li>1. Project GRAD and Youth Academy of Finance</li> <li>2. Plans for vacant school buildings</li> </ul>
Knox County Health Department	<ul style="list-style-type: none"> <li>1. Healthy Kids, Healthy Communities</li> <li>2. Food Policy Council</li> </ul>
East Tennessee Foundation	<ul style="list-style-type: none"> <li>1. Affordable Housing Trust Fund (local fund)</li> <li>2. Neighborhood Small Grants program</li> </ul>

## **Actions planned to enhance coordination between public and private housing and social service agencies**

These partner organizations, along with numerous other non-profits, for-profits, and neighborhood organizations work closely with the City to identify needs and to develop and implement strategies to address a broad range of community development issues. Some additional examples include:

- The Knoxville Area Chamber Partnership participates on the Mayor's Economic Development Committee to coordinate city and private sector economic development initiatives.
- The Knoxville Area Transit will soon open a new downtown transit center and is holding a series of public meetings and internal city staff meetings to develop new routes that will better serve transit users including residents of affordable housing.
- The Community Development Department works closely with the Tennessee Housing Development Agency in the implementation of their Neighborhood Stabilization Program.
- The City's Office on Homelessness, housed in the Community Development Department, works closely with the Knoxville Coalition for the Homeless, local mental health agencies, and social service providers in the preparation and implementation of the city's homeless strategies. The Mayor's Roundtable on Homelessness meets quarterly to discuss implementation of Knoxville's Plan to Address Homelessness.

# Program Specific Requirements

## AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

### Community Development Block Grant Program (CDBG)

#### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

## HOME Investment Partnership Program (HOME)

### Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

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

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

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

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

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

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

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

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

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

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

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

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

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

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

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

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

## **Emergency Solutions Grant (ESG)**

### **Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

The City of Knoxville and its Subgrantees will provide opportunities for the participation of homeless individuals in organizational policy-making body in accordance with 42 U.S.C. 11375(d), and will involve homeless individuals and families in providing work or services pertaining to facilities or activities assisted pursuant to this Agreement in accordance with 42 U.S.C. 11375(c)(7).

The City and its Subgrantees will comply with the requirements of 24 CFR, Part 24 concerning the Drug Free Workplace Act of 1988. The City and its Subgrantees may terminate assistance to any individual or family receiving assistance who violates the program requirements, but only in accordance with an established formal process that recognizes the rights of individuals, and which may include a hearing.

The City and its Subgrantees will policies and procedures for coordination among street outreach providers, emergency shelter providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

Coordination with other targeted homeless services. (§576.400(b)) The City and its Subgrantees will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people within the Knoxville-Knox County Continuum of Care, in order to provide a strategic, community-wide system to prevent and end homelessness. These programs may include: Shelter-Plus-Care Program, Supportive Housing Program, Section 8 Mod Rehab Program, HUD-VASH, Education for Homeless Children and Youth Grants, Grants for the Benefit of Homeless Individuals, Healthcare for the Homeless, Programs for Runaway and Homeless Youth, Projects for Assistance in Transition from Homelessness, Services in Supportive Housing Grants, Emergency Food and Shelter Program, Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program, Homeless Veterans Reintegration Program, Domiciliary Care for Homeless Veterans Program, VA Homeless Providers Grant and Per Diem Program, Health Care for Homeless Veterans Program, Homeless Veterans Dental Program, Supportive Services for Veteran Families Program, and the Veteran Justice Outreach Initiative.

System and program coordination with mainstream resources: (§576.400(c)) The City and its Subgrantees must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of the programs include: Public Housing programs, housing programs receiving "Section 8" tenant-based or project-based rental assistance, Supportive Housing for Persons with Disabilities, HOME Investment Partnerships Program, Temporary Assistance for Needy Families, Health Center Program, TennCare, Head Start, Mental Health and Substance Abuse Block Grants, Services funded under the Workforce Investment Act, and others.



KnoxHMIS. The City and its Subgrantees will participate in and actively use the Knoxville-Knox County Homeless Management Information System (KnoxHMIS), for client intake, assessment, and service coordination. The only exceptions to this requirement will be in the areas of domestic violence and legal services as specifically noted by the US Department of Housing and Urban Development. The City and its Subgrantees are also required to participate fully in the Knoxville-Knox County Homeless Coalition and to coordinate with the Knoxville-Knox County Continuum of Care.

#### Eligible Participants

Homeless individuals and families shall be eligible for services supported by the Emergency Solutions Grant. Standard policies and procedures exist for evaluating individuals' and families' eligibility for assistance under the Emergency Solutions Grant. These policies and procedures closely follow HUD's ESG interim rule regulations.

To evaluate an individual or family's eligibility for assistance under ESG, the City and its Subgrantees must document the following, according to HUD regulations:

Homelessness status 24 CFR 576.500 (b) – The City and its Subgrantees maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2.

At-risk of homelessness status §576.500 (c):– The City and its Subgrantees document evidence relied upon to determine that individuals and families have met the definition of “at risk of homelessness” in §576.2.

Determinations of ineligibility §576.500 (d) – For each individual and family determined ineligible to receive ESG assistance, the records include documentation of the reason for that determination.

Annual income §576.500 (e) – For each family or individual receiving ESG assistance, annual income is documented in order to determine eligibility requirements for the program.

The City and its Subgrantees maintains documentation showing evidence of all participants' eligibility. There are also policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

Using a thorough intake and assessment process, families and individuals should be referred to housing and services for which they are eligible and which will best meet their needs. To be eligible for services, clients must be homeless or at risk of being homeless. The household's total income must be at 30% area median income (AMI) requirement which falls in line with the Fair Market Rent (FMR) Documentation System for Tennessee.

The household must be either homeless (to receive rapid re-housing assistance) or at risk of losing its housing within 21 days after the date of the application (to receive homelessness prevention assistance). The household must meet the following requirements:

No appropriate subsequent housing options have been identified;

The household lacks the financial resources to obtain immediate housing or remain in its existing housing; and

The household lacks support network to obtain immediate housing or remains in its existing housing. Additional risk factors will be considered in determining eligibility for assistance under ESG.

Income eligibility must be verified every three months and documented in the case file via paycheck stubs, unemployment check stubs, SSI, pension, child support, etc.

#### Rapid Re-Housing (Homeless Assistance) Eligibility:

In addition to the minimum ESG eligibility requirements noted above, to be eligible for ESG rapid re-housing assistance, participants must also meet one or more of the following conditions at the time of application: Sleeping in an emergency shelter; Sleeping in a place not meant for human habitation; Exiting a mental health, foster care or correctional institutional program; Victim of domestic violence.

Families with young children, victims of domestic violence, youth aging out of foster care, and those who are coming from shelters or off the street will be the primary population for ESG Rapid Re-Housing Assistance. Short-term rental assistance is defined as up to 3 months of assistance. Medium-term rental assistance is up to 24 months. This is intended for consistency with the period for transitional housing.

#### Other Requirements:

Short-term and medium-term rental assistance requires that a program participant and a housing owner have a written lease for the provision of rental assistance. All leases must be notarized on an official form.

Habitability Standards and Lead Based Paint Compliance will be established by obtaining official documentation of the date of construction for the housing. Knoxville's Community Development Corporation will provide verification on the absence of lead paint in public housing/Section 8 units. The case file will include documentation on the habitability and lead paint standards. Lead standards will be determined by the date of construction or verification from landlords that the absence of lead requirements has been met.

Homelessness Prevention Eligibility: Families with young children, residents of Section 8 and public housing, and those who are at-risk of non-behavioral eviction are the primary populations for ESG Homelessness Prevention Assistance. A household that is at-risk of losing their housing may be eligible if there is documentation that their loss of housing is imminent, that they meet the 30% AMI requirements, that they have no appropriate subsequent housing options, and that they do not have any other financial resources and support networks to assist with maintaining current housing or obtaining other appropriate housing.

Imminent risk is viewed when a household would require emergency shelter or would otherwise become literally homeless but for ESG assistance. Homelessness Prevention costs are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the

program participant's current permanent housing or move into other appropriate permanent housing and achieve stability in that housing.

#### Other ESG Standards

There are standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

In providing ESG homelessness prevention assistance or rapid re-housing assistance, the Subgrantees will do so in accordance with the housing relocation and stabilization services requirements in §576.105, the short-term and medium term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

There are standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Subject to the general conditions under §576.103 and §576.104, Subgrantees may provide a program participant with up to 24 months of rental assistance during any 3-year period. Per §576.106, this assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

When providing rental assistance, Subgrantees must ensure that the following requirements are met: (1) Program recipients receiving project-based rental assistance must have a lease that is for a period of one year, regardless of the length of rental assistance; (2) Program participants receiving rapid re-housing assistance must be re-evaluated at least once every year and program participants receiving homelessness prevention assistance are required to be re-evaluated at least once every three months; and (3) no program participant may receive more than 24 months of assistance in a three-year period.

There are standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.

Except as provided for housing stability case management in §576.105(b) (2) of the Interim Rule, no program participant may receive more than 24 months of assistance in a 3-year period.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Knoxville-Knox County CoC has designated Knox HMIS as its coordinated assessment system. Use of Knox HMIS for intake and assessment creates a "no wrong door" scenario that enables those seeking

help to come into the system through any participating provider and, through the intake and assessment process, gain access to the resources that will most appropriately and effectively meet their needs.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City's Citizen Participation Plan outlines procedure for obtaining citizen input.

The plan addresses the importance of encouraging participation of low and moderate income persons, residents of public housing, minorities and non-English speaking persons, individuals with disabilities, residents of targeted revitalization areas, civic groups, advocacy-based organizations, faith-based organizations, social/human service agencies, businesses and developers.

These entities are invited to various public meetings and activities where they can provide ideas and give input in the development of programs and projects, and in reviewing proposed plans prior to their implementation.

The City has a "Request for Proposals" process where organizations and agencies can submit an application. The applications list the component areas of the ESG program. Prior to the submission of applications, the City holds a Technical Assistance Workshop to review ESG programmatic structure, go over specific questions in the application, and to answer questions.

Upon receiving applications, the City has a staff review team. Each application is rated on how the proposed program fits within the ESG programmatic components and meets a crucial homelessness-based need. Organizations and agencies are then recommended for funding. Contracts are developed which outline expectations, rules, regulations, policies and procedures.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City has a Mayor's Roundtable on Homelessness which is a forum for addressing long-term solutions. This group is diverse, and includes organizations, agencies, civic leaders and a formerly homeless individual. The Knoxville-Knox County Homeless Coalition is a larger entity and has several former homeless individuals, many of whom now work at homeless shelters or human/social service agencies. All of the City's subgrantees have a homeless individual or a former homeless client on either their advisory council or board of directors. The City believes that these individuals provide a wealth of knowledge, and maintains documentation on file to support that this level of interaction occurs.

5. Describe performance standards for evaluating ESG.

There is a performance criteria section in each subgrantee contract. Two components include: (1) Quantifiable Performance Standards (the services an organization or agency will provide); and (2) Quarterly Performance Goal (a numerical projection of what an organization or agency will achieve each quarter).

On a quarterly basis, organizations and agencies submit reports describing services rendered and number of individuals served. The City reviews these reports to measure, validate and verify how services have improved and enhanced the lives of clients in compliance with ESG standards. At the end of the contract period, organizations and agencies provide a cumulative report, and the City uses this information to assess performance as well to formulate data for year-end reports.

The City also monitors each subgrantee on a yearly basis. Monitoring is done on-site. The focus of monitoring is :

- (1) To review operations: administrative, financial and programmatic;
- (2) To assess the reliability of internal controls (general management/business practices and procedures);
- (3) To verify contractual and regulatory compliance (city, state and federal);
- (4) To verify that goals and objectives (performance criteria and standards) are met.
- (5) To verify the civil rights requirements are met;
- (6) To test the reliability/validation of invoices and reports (documentation);
- (7) To determine if costs and services are allowable and eligible, and that clientele served is eligible; and
- (8) To ensure and assure that the agency has the capacity to carry out the project.

**Discussion:**

The City has a monitoring checklist that spells out various criteria and items to review.

A monitoring summary report is sent within thirty days of the visit. As appropriate, an organization or agency has thirty days to response to any concerns/findings.

## Appendix - Alternate/Local Data Sources

1	<b>Data Source Name</b>
	KCDC Dashboard Effective 10/31/2014
	<b>List the name of the organization or individual who originated the data set.</b>
	Knoxville's Community Development Corporation (KCDC) is the Public Housing Authority for Knoxville.
	<b>Provide a brief summary of the data set.</b>
	These are numbers of housing units by program type provided from the PHA from KCDC Dashboard.
	<b>What was the purpose for developing this data set?</b>
	This is the data set used by KCDC.
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b>
Knox County	
<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b>	
October 31, 2014	
<b>What is the status of the data set (complete, in progress, or planned)?</b>	
Complete	
2	<b>Data Source Name</b>
	American Community Survey 2007-2011
	<b>List the name of the organization or individual who originated the data set.</b>
	The Knoxville Knox County Metropolitan Planning Commission (MPC) provided this analysis from the 2007-2011 American Community Survey, 5 Year Estimates: Tables B25118 and B25012..
	<b>Provide a brief summary of the data set.</b>
	ACS Data for information on households with children present by housing tenure by household income levels.
<b>What was the purpose for developing this data set?</b>	
<b>Provide the year (and optionally month, or month and day) for when the data was collected.</b>	
2/24/2015	

	<p><b>Briefly describe the methodology for the data collection.</b></p> <p>Review of ACS data.</p> <p><b>Describe the total population from which the sample was taken.</b></p> <p>Renter Occupied Units: 8,742</p> <p>Owner-Occupied Housing Units: 9,298</p> <p><b>Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.</b></p>
3	<p><b>Data Source Name</b></p> <p>U.S. Census Bureau, 2013</p> <p><b>List the name of the organization or individual who originated the data set.</b></p> <p>U.S. Census Bureau</p> <p><b>Provide a brief summary of the data set.</b></p> <p>According to a 2013 U.S. Census Bureau study, abandoned housing units comprise 6.7 % of the Census Bureau's classification, "other" vacant units, nationally. The same study showed that foreclosures comprise 11.7 % of "other" vacant units. There are 2,931 "other" vacant units in Knoxville (2013).</p> <p><b>What was the purpose for developing this data set?</b></p> <p>The foreclosure estimate is derived from national vacancy averages.</p> <p><b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b></p> <p>It's a national study.</p> <p><b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b></p> <p>2013</p> <p><b>What is the status of the data set (complete, in progress, or planned)?</b></p> <p>Complete.</p>