



U. S. Department of Housing and Urban Development

Knoxville Field Office, Region IV
John J. Duncan Federal Building
710 Locust Street, Suite 300
Knoxville, Tennessee 37902-2526

August 7, 2018

Becky Wade, Community Development Director
City of Knoxville
P.O. Box 1631
Knoxville, TN 37901

Dear Ms. Wade:

I am pleased to transmit to you the U.S. Department of Housing and Urban Development's (HUD) approval of the 2018 Consolidated Annual Action Plan for funding under the Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs. Your jurisdiction's Program Year (PY) 2018 begins on July 1, 2018, and the available funding is as follows:

CDBG	\$1,609,007
HOME	\$1,097,110
TOTAL	\$2,706,117

The Department commends the City of Knoxville and staff on the efforts which successfully completed this Consolidated Annual Action Plan. The goals and objectives developed through this process will provide and expand the foundation for partnerships at all levels of government with citizens and the private sector, including for profit and nonprofit organizations. These partnerships have proven to be invaluable as you and your partners address the problems of affordable housing, homelessness, community development needs, and economic opportunities for all citizens, particularly for very low- income and low-income persons. In addition, these programs are instrumental as your community and the Nation address pressing housing and economic problems and address the needs of our citizens.

This letter also transmits approval of your jurisdiction's HOME Resale/Recapture provisions for the 2018 Program Year, as meeting the requirements established in 24 CFR 92.254(a)(5)(1) and (ii).

As you know, HUD published a Federal Register Notice on May 18, 2018 which withdrew the Local Government Tool for use by CDBG recipients when preparing and submitting their Assessment of Fair Housing (AFH), thereby delaying the requirement to submit an AFH. Nevertheless, the legal obligation to affirmatively further fair housing continues for all. Until HUD publishes a new Local Government Tool, the AFFH obligation reverts to the submission of the certification of affirmatively furthering fair housing. This means that the jurisdiction is conducting an Analysis of Impediments (AI) to fair housing choice, taking appropriate actions to overcome the effects of any impediments, and keeping records reflecting the analysis and actions. The AI should be updated in accordance with the HUD Fair Housing

Planning Guide (1996). Any governments that already have an accepted AFH are not required to conduct a separate AI. The Office of Fair Housing and Equal Opportunity is available to answer any questions you may have regarding this matter. You may contact Zachary D. Blair, Senior Equal Opportunity Specialist at 615.515.8597 or at zachary.d.blair@hud.gov.

A copy of your Consolidated Annual Action Plan was provided to the Department's program offices for review and comments. Any received comments have been either enclosed separately or are contained in the Advice and Guidance, which is an enclosure.

Enclosed are three originals of the Grant Agreements for CDBG Entitlement Program (form HUD 7082) and HOME Program (form HUD 40093), which require the Mayor's or the official designee's signatures. These constitute the contract between HUD and the City of Knoxville.

For each grant agreement, specific information is required for those using an Indirect Cost Rate. If funding assistance will be used for payment of indirect costs pursuant to 2 CFR 200, Subpart E-Cost Principles, you are required to enter specific information as instructed. The requirement on Indirect Cost rate is indicated under the Special Conditions, Item 8 (attached) for CDBG and under Indirect Cost Rate, Item 11 for HOME. Now, if your jurisdiction is not using an indirect cost rate, you are required to state NO. If your jurisdiction is using an indirect cost rate, then enter the required information as indicated for each funded program on each grant agreement (Funding Approval). If no answer and/or no information are provided, then the applicable grant agreement(s) are not considered as fully executed and will be returned to your jurisdiction for completion. Also, please be aware that the HUD Field Accounting Center will not process the grant agreements until the required information has been entered on a grant agreement. You are also reminded that HUD funds are drawn down using a grant-based approach in the Integrated Disbursement and Information System (IDIS).

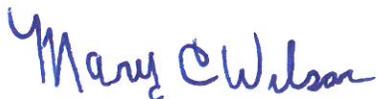
As you know, formula grant funds are governed by the Department, and the management of the Consolidated Plan, including the Consolidated Annual Action Plan is handled by the Office of Community Planning and Development (CPD). I have signed the agreements and applicable funding approval forms. Please retain one set of originals for your records and return the other two sets to CPD as noted below:

U.S. Department of Housing and Urban Development
Mary C. Wilson, Director, CPD
John J. Duncan Federal Building, Suite 300
710 Locust Street, SW
Knoxville, TN 37902

Failure to execute and return the grant agreements within 60 days of the date of this letter may be considered to constitute rejection of the grant and cause for HUD to determine that the funds are available for reallocation to other grantees. Also, the year-end reporting on 2017 program performance and accomplishments in the Consolidated Annual Performance and Evaluation Report (CAPER) is due to CPD 90 days after the end of the 2017 program year. At this time, no new guidance has been received from our headquarters, and grantees are advised to follow the format used for last year's CAPER reporting and submit the CAPER in IDIS. For submission of other HUD program required reports, please refer to the enclosed Advice and Guidance for instructions.

We look forward to working with your jurisdiction to accomplish the goals set forth for your jurisdiction. In the meantime, if you have any questions regarding this letter, please contact me at (865) 474-8225.

Very sincerely yours,



Mary C. Wilson, Director
Office of Community Planning
and Development

Enclosures

cc

Honorable Madeline Rogero
Mayor of Knoxville

**KNOXVILLE OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT
PROGRAM YEAR 2018
CONSOLIDATED ANNUAL ACTION PLAN
ADVICE AND GUIDANCE**

KNOXVILLE, TENNESSEE

The Knoxville Office of Community Planning and Development (CPD), U. S. Department of Housing and Urban Development (HUD) provides the following Advice and Guidance to assist your jurisdiction as it implements the activities under the 2018 Consolidated Annual Action Plan, prepare for the completion of the 2017 Consolidated Annual Performance and Evaluation Report (CAPER), and begin the process for developing the next Plan submission.

Accessing the Integrated Disbursement and Information System (IDIS) – Important Reminder

IDIS users are reminded to log into IDIS at least monthly to maintain their system access. The system will remove any and all users that fail to log in within 90 days.

Technical Assistance

Technical assistance is available for grantees to implement, operate, or administer CPD-funded program. HUD has Technical Assistance (TA) available to help. Based on the information you provide, HUD will determine the type and level of assistance available to you. Technical assistance is more involved than basic policy questions. It involves recurrent communication with TA providers, possible site visits, and/or longer-term assistance that enables your organization to build skills, knowledge and capacity for operating CPD programs. To make the TA request contact Knoxville CPD or go to the below website:

<https://www.hudexchange.info/program-support/technical-assistance/>

Environmental Review Procedures for Formula Programs

Certain activities included in the Consolidated Plan are subject to the provisions of 24 CFR Part 58 (Environmental Review Procedures for the CDBG, HOME, Emergency Solution Grants, and Housing Opportunities for Persons With AIDS Programs). Funds for such activities may not be obligated or expended unless HUD has approved the release of funds in writing. A request for the release of funds must be accompanied by an environmental certification. Grantee are encouraged to submit all environmental review requests in the HUD Environmental Review Online System (HEROS). At this time, such requests may also be submitted to Knoxville CPD.

Minority Business Enterprise (MBE)/Women Owned Business (WOB) and Section 3 Activities

Executive Orders 12432 and 11625 require all Federal agencies to promote MBE, including women owned businesses, participation in their programs. The next MBE report, Contract and Subcontract Activity,” covers the period of October 1, 2017 - September 30, 2018. As indicated on the form, the required submission date is within 10 days of September 30th each year.

Section 3

You are also urged to expand your efforts in complying with Section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135. Section 3 provides that to the greatest extent feasible opportunities of employment and training be given to lower income residents of the project area and contracts be awarded to businesses located in or owned, substantially by residents of the project area. All direct recipients of HUD funding covered by Section 3 must submit Form 60002 annually. All reports must be submitted in the Section 3 Performance Evaluation and Registry System (SPEARS). The Section 3 Report is due 90 days at the end of each Consolidated Plan grantee’s program year and is requested at the time of submission of the Consolidated Annual Performance and Evaluation Report. For more information on access to SPEARS, please go to the following website:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3/spears

2018 Consolidated Plan/Annual Action Plan’s Overall Assessment

The 2018 Consolidated Annual Action Plan was successfully submitted in a timely manner and contains all the required components as specified at 24 CFR Section 91.220. The Action Plan is for the fourth year of the 2015-2020 Consolidated Plan. The Plan is comprehensive and identifies each activity to be undertaken and how that activity addresses a community need as identified in the Consolidated Plan. In developing its Plan, the City maximized citizen input and community collaboration as evidenced by the wide range of public and private agencies and organizations that participated in the planning process, public meetings, and public hearings. The City held a public hearing on February 5, 2018, as well as a 30-day public comment period, to discuss the community needs and obtain input in the approval of the Consolidated Annual Action Plan. All comments were accepted. The City also held a public comment hearing on May 17, 2018, with stakeholders and citizens to outline proposed activities review and answer funding questions regarding the City’s Consolidated Plan. The City adopted guidance from HUD provided in the CPD Notice published January 24, 2018 and used a “Contingency Provision” for describing how it will allocate funds once the actual funding amounts were made known.

During the performance period of this Plan, 80 blighted properties will be acquired and maintained. Also, over 200 households will receive housing assistance (rental or homeowner), in addition to 13 organizations receiving planning and design technical assistance to strengthen and promote economic development in Knoxville neighborhoods.

For Program Year 2018, CDBG dollars totaling \$1,609,007 and HOME dollars totaling \$1,097,110 will be utilized by the City to carry out activities that will enhance the lives of Knoxville residents to keep housing affordable and available to low and moderate-income households. Funds will be used to include the following activities: Public Services, Affordable Housing, and Administration.