

City of Knoxville

Housing and Neighborhood Development Department



Annual Action Plan Public Meeting
January 23, 2024



Welcome!



Introductions

Meeting Agreements

Online and In-person Participants
Please be patient with us

- * Hold questions / comments until Discussion
 - * Speak one at a time
 - * Maintain respect for each other
 - * Respect each other's time
- * Make space for everyone's perspective

Agenda

I. Community Agency Grants

II. Housing and Neighborhood Development

A. The HUD Five-Year Consolidated Plan

B. Annual Action Plan Update – Years 1 – 4

C. Year Five

1. Results from Consultation Meetings

2. Discussion / Public Comment

3. Annual Action Plan Process / Timeline

I. Community Agency Grants

There are two different application forms:

- 1) Arts and Culture
- 2) Community and Social Services

DEADLINE

Applications are due by 4:00 p.m. on Thursday, Feb. 15, 2024

Jennifer Searle
865-215-2267
jsearle@knoxvilletn.gov

Opioid Abatement Grant

The City of Knoxville is allocating \$250,000 during the 2024-2025 fiscal year.

Who can apply?

- Organizations that mitigate or prevent Opioid addiction to City of Knoxville residents
- Organizations that have 501c3 status for at least 2 years

What is the term?

- July 1, 2024- June 30, 3025

City of Knoxville FY2025 Community Agency Grants Goals & Priorities



II. Housing and Neighborhood Development

A. The PY2020-2024 Five Year Consolidated Plan

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

CDBG – Community Development Block Grant

HOME – HOME Investment Partnerships Grant

ESG – Emergency Solutions Grant

- Required every 5 years, submitted August 2020
- Involved extensive community participation
- Set High / Low Priority activities for funding
- Has no funding attached to it
- **PY2025 - 2029 Consolidated Plan process**



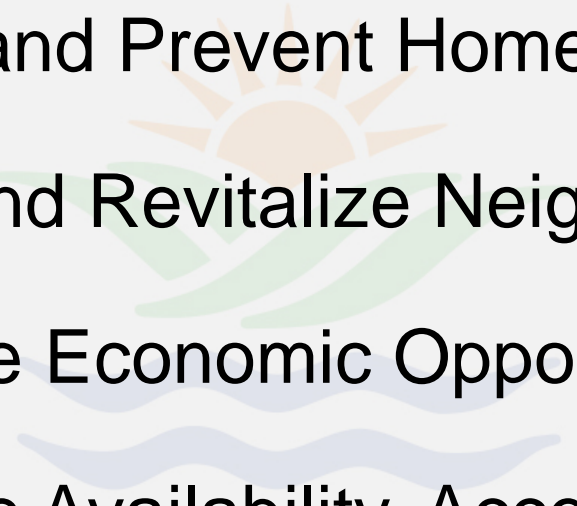
2020-2024 Five Year Consolidated Plan Priorities

Reduce and Prevent Homelessness

Stabilize and Revitalize Neighborhoods

Create Economic Opportunity

Enhance the Availability, Accessibility and
Quality of Affordable Housing



HUD Funding

Community Development Block Grant (CDBG)

- Activities Address:
 - Low- and Moderate-Income (LMI) people/households/areas
 - Slum or Blight
 - Urgency (urgent threat to community health and welfare)
 - Public Services

HOME Investment Partnerships (HOME)

- Affordable Housing for LMI households

Emergency Solutions Grant (ESG)

- Homelessness
 - * Street Outreach
 - * Homelessness Prevention
 - * HMIS
 - * Emergency Shelter/Services
 - * Rapid Re-Housing
 - * Administration

Community Partners

Non-Profit Social Service Organizations

Non-Profit Housing Assistance Organizations



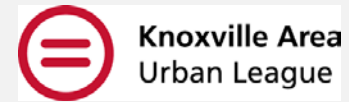
Non-Profit and For-Profit Housing Developers



Foundations



Office of Housing Stability



Homeless Coalition



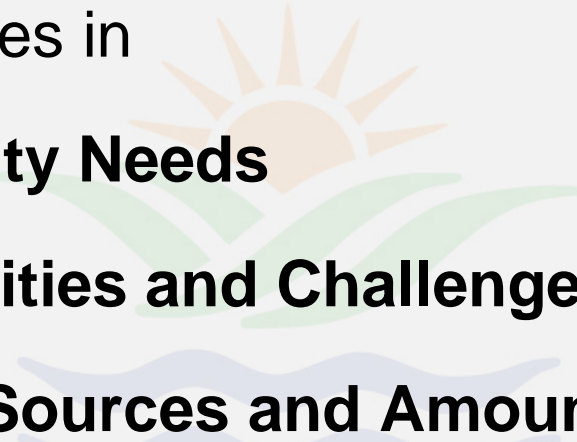
KCDC



State of Tennessee

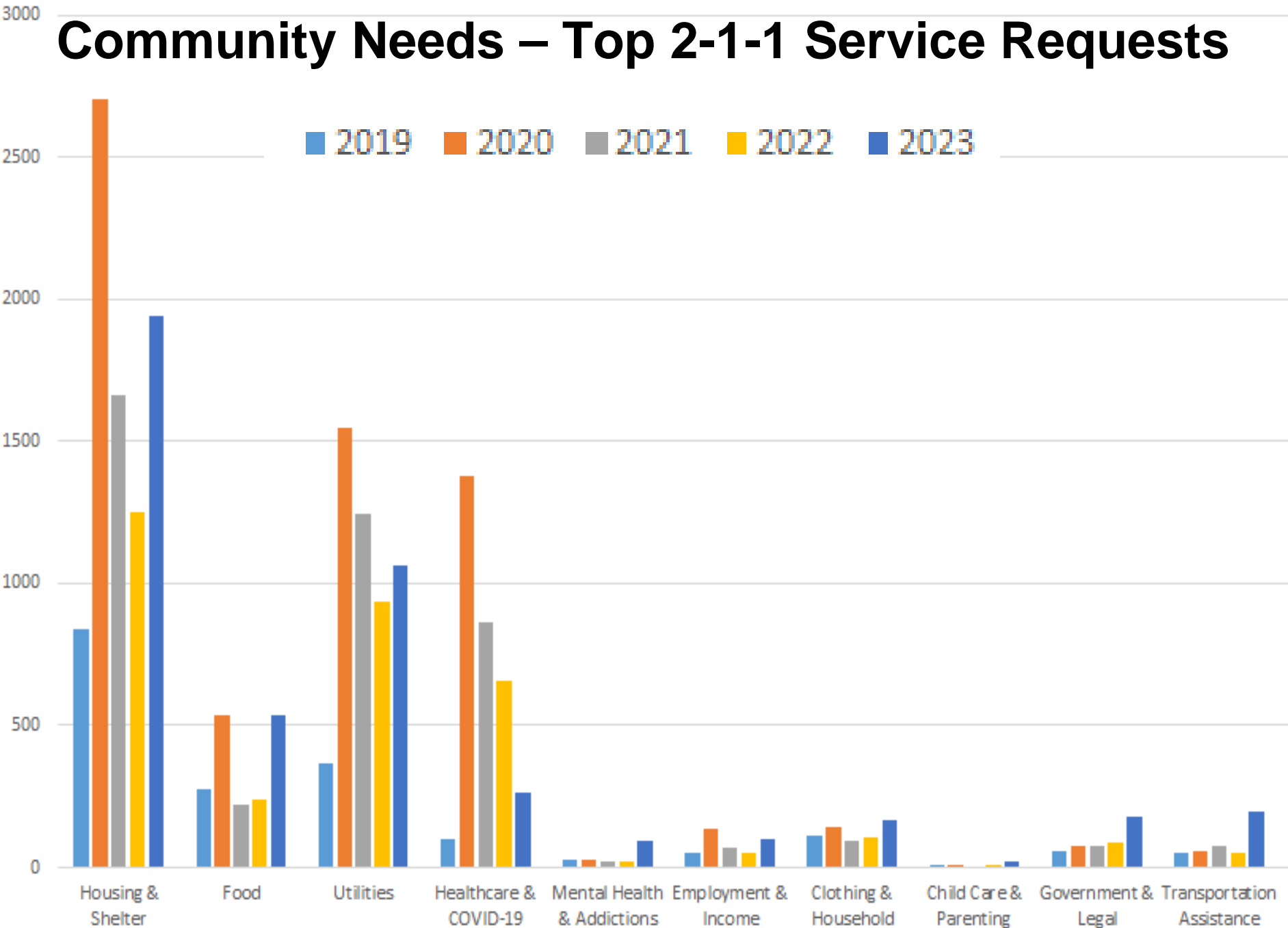


B. Annual Action Plans

- Annual Action Plans update the 2020-2024 Five-Year Plan
 - Considers changes in
 - **Community Needs**
 - **Opportunities and Challenges**
 - **Funding Sources and Amounts**
- 

Community Needs – Top 2-1-1 Service Requests

2019 2020 2021 2022 2023



Opportunities and Challenges

CARES Act Funding

CDBG-CV

\$2,889,714 (> 2.5 x the 2019 CDBG Allocation)

- No cap on Public Services
- 20% cap on Administration (<10% budgeted and currently at < 8%)
- 5.3% Remains to be spent/drawn
- Deadline(s): 80% by June 2023 / 100% by June 2026

ESG-CV

\$3,434,848 (22 x the 2019 ESG Allocation)

- 10% cap on Administration (< 9% was spent)
- 100% Spent/Drawn
- Deadline(s): September 2023 and December 2023

Opportunities and Challenges

American Rescue Plan Act Funding

HOME-ARP

\$4,076,859 (~ 4 x the 2019 HOME Allocation)

- New Focus: To create affordable housing and services to meet the needs of people experiencing or at-risk of experiencing homelessness
- 20% cap on Administration (4% budgeted)
- Funds will be used to benefit qualifying populations through:
 1. Development & support of affordable housing
Underway: **Callahan Flats - \$2,900,000** (71%)
 2. Provision of supportive services - \$1,000,000 (25%)
Discussions are underway with a potential provider
- Deadline: September 30, 2030

Rent/Mortgage/Utility Assistance - PY2020-2023

- Pre-Pandemic - Funding challenges
 - ESG – regulatory limitations (“imminently homeless”)
 - CDBG – cap on Public Services and regulatory limitations on “income payments”
- During the Pandemic (from March 13, 2020 forward)
 - CARES Act ESG-CV (mortgage assistance excluded)
 - Homelessness Prevention
 - \$778,893 budgeted initially, \$17,387 spent (see ESG above)
 - Rapid Re-Housing
 - \$1,102,208 budgeted initially, \$609,467 spent (lack of housing)
 - CARES Act CDBG-CV (included mortgage assistance)
 - Covid-19 Housing Assistance Program (HAP)
 - **\$1.2M was spent to assist 845 households** with rent/mortgage/utility payments and housing stabilization counseling from 2020-2022

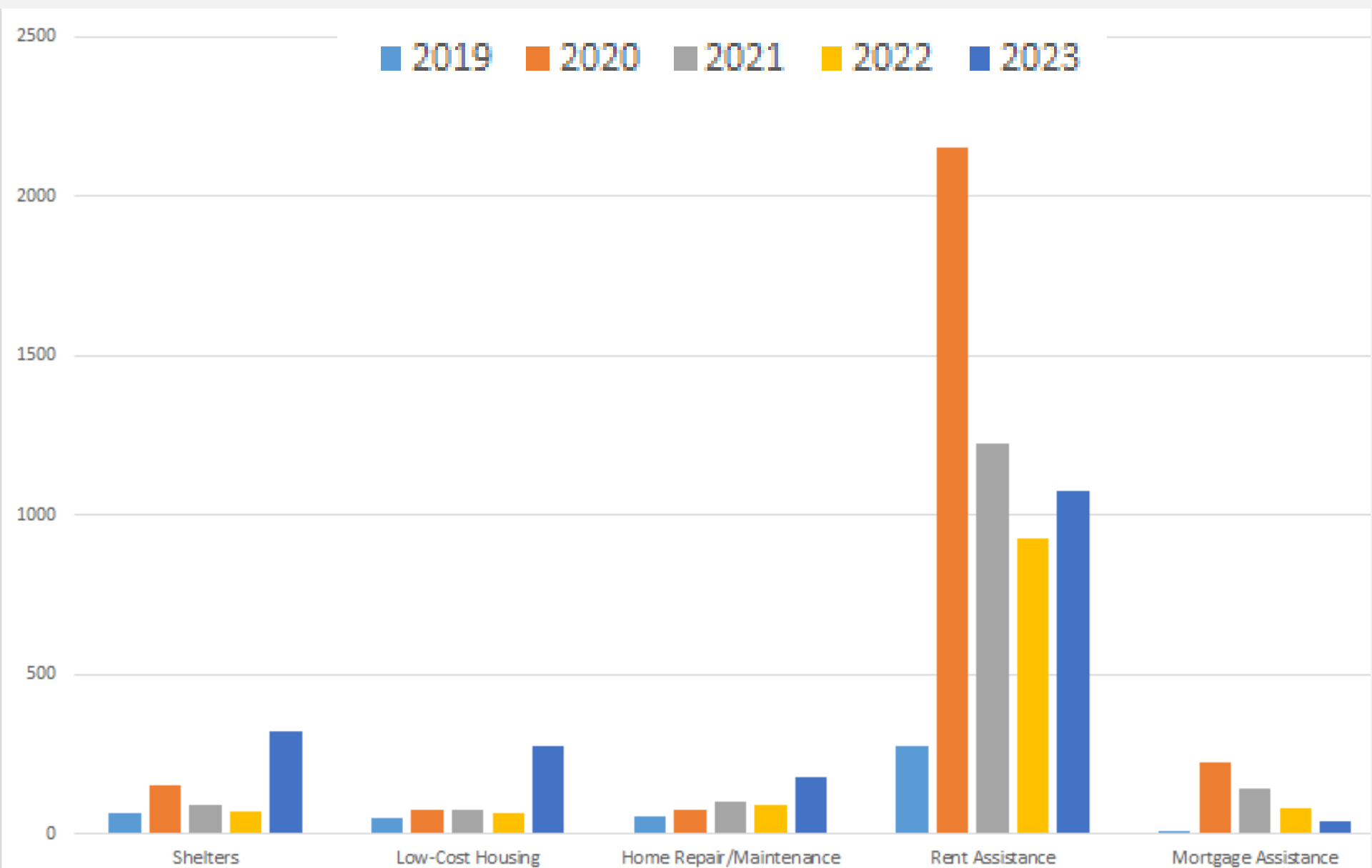
Rent / Mortgage Assistance - PY2020-2023

- During the Pandemic (March 2020 - December 2022)
 - American Rescue Plan Act – Knox County
 - \$55M in direct rent and utility assistance to eligible renter households
 - Assisted 9,000 households through December 2022
- Post-Pandemic
 - American Rescue Plan Act – Knox County
 - Knox Housing Assistance Program (rent and utilities)
 - A joint City-County initiative
 - Knox County re-opened applications for eviction prevention (renters only) on November 15, 2023:
 - [KnoxHousingAssistance.org](https://www.knoxhousingassistance.org)

Keep in mind:

While critical to keeping people housed in the short-term/during the crisis, none of these funds created any affordable housing.

Top 2-1-1 Housing & Shelter Requests

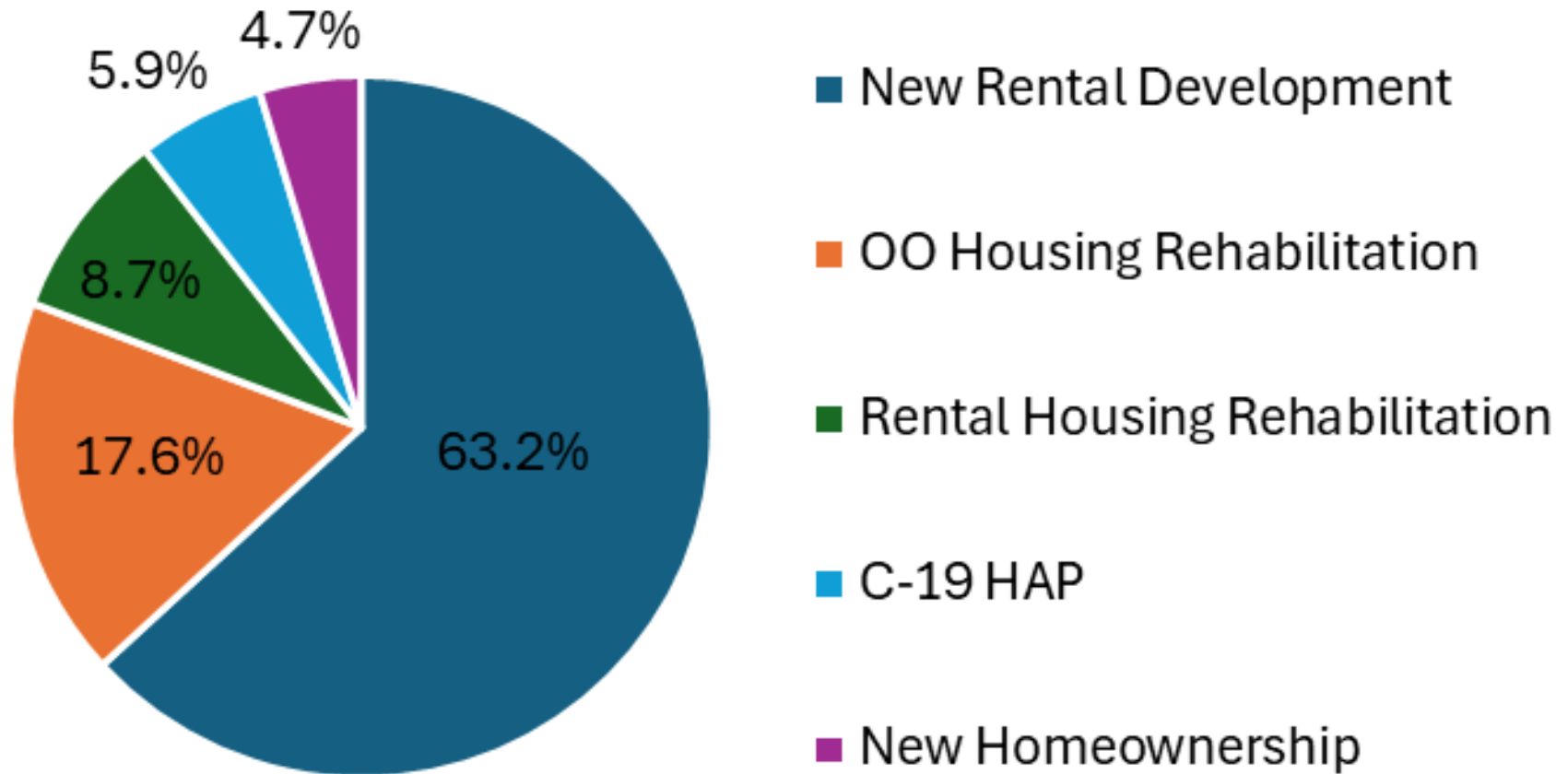


Funds Spent on Housing Activities PY2020-2023*

<u>Source of Funds</u>	<u>Amount</u>
City AHF/ARDF	\$10,885,000
HOME and HOME-ARP	\$ 7,615,621
CDBG	\$ 3,512,735
CDBG-CV (94.7% spent)	\$ 1,211,640
Total	\$23,224,996

<u>Amount</u>	<u>Type of Assistance</u>	<u># H'holds Served</u>
\$13,785,000	New Rental Housing Dev.	1,015
\$ 2,486,989	Home Repair	550
\$ 1,900,152	Rental Housing Rehab	133+
\$ 1,405,539	Housing Project Delivery	-
\$ 1,346,066	Owner-occ. Housing Rehab	13
\$ 1,279,400	Covid-19 HAP	845
\$ 1,021,850	New Homeownership	16
\$23,224,996	Total	2,572+

Funds Spent on Housing Activities PY2020-2023*



Does not include Housing Project Delivery Costs

Affordable Housing Development Stats

- **100%** of rental units are restricted to *LMI* households within 100% AMI
- An increasing number of units are set aside for *Permanent Supportive Housing*
- If tax credits are included, the required affordability period is 30 years
- For non-tax credit developments, the affordability period may be 20 years

Income Levels of Beneficiaries



■ Extremely Low Income (0-30% AMI)

■ Very Low Income (31-50% AMI)

■ Low Income (51-80% AMI)

Affordable Housing Development Stats

Apartment Community	Units	Total Cost	ARD\$ Committed	Status
First Creek at Austin (PSH)	161	\$56,044,488	\$1,500,000	Underway
Callahan Flats (58 units are PSH)	88	\$25,690,697	\$3,800,000	Underway
Five Points Infill	10	\$4,335,478	\$300,000	Underway
Central Terrace (Families)	112	\$29,626,411	\$2,065,000	Underway
Liberty Place (PSH)	32	\$12,697,631	\$500,000	Underway
Grosvenor Square (Families)	184	\$71,668,861	\$1,750,000	Underway
Riverside at Holston (Families)	96	\$33,849,653	\$750,000	Underway

Completed: 1,043 Underway: 683 Commitments in process: 277

The City's investment of \$24,930,000 M has created:
1,726 units (683 units underway)

For every \$1 of City Funds, \$17.12 is being leveraged

Affordable Rental Housing Investment since 2015

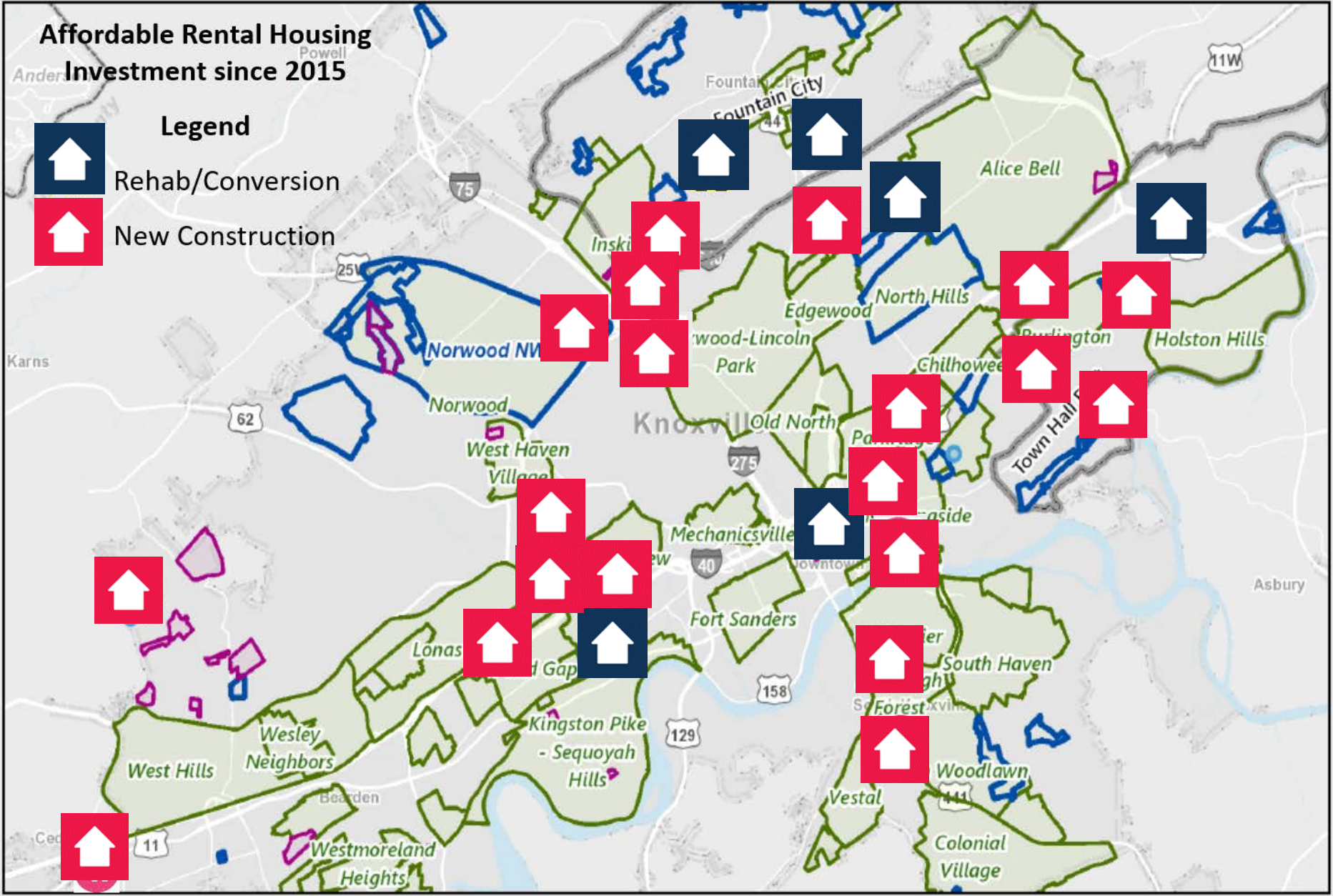
Legend



Rehab/Conversion



New Construction



Recently Completed



Inskip Flats
4806 Inskip Drive
66 units



The Ammons
4625 Asheville Highway
80 units

Recently Completed



Caswell Manor
1501 East Fifth Avenue
48 units



Underway



First Creek at Austin
1250 Burge Drive
161 units
Underway



Underway



Callahan Flats
1511 Callahan Road
88 units



Underway



Central Terrace
4502 Fennell Road
112 units

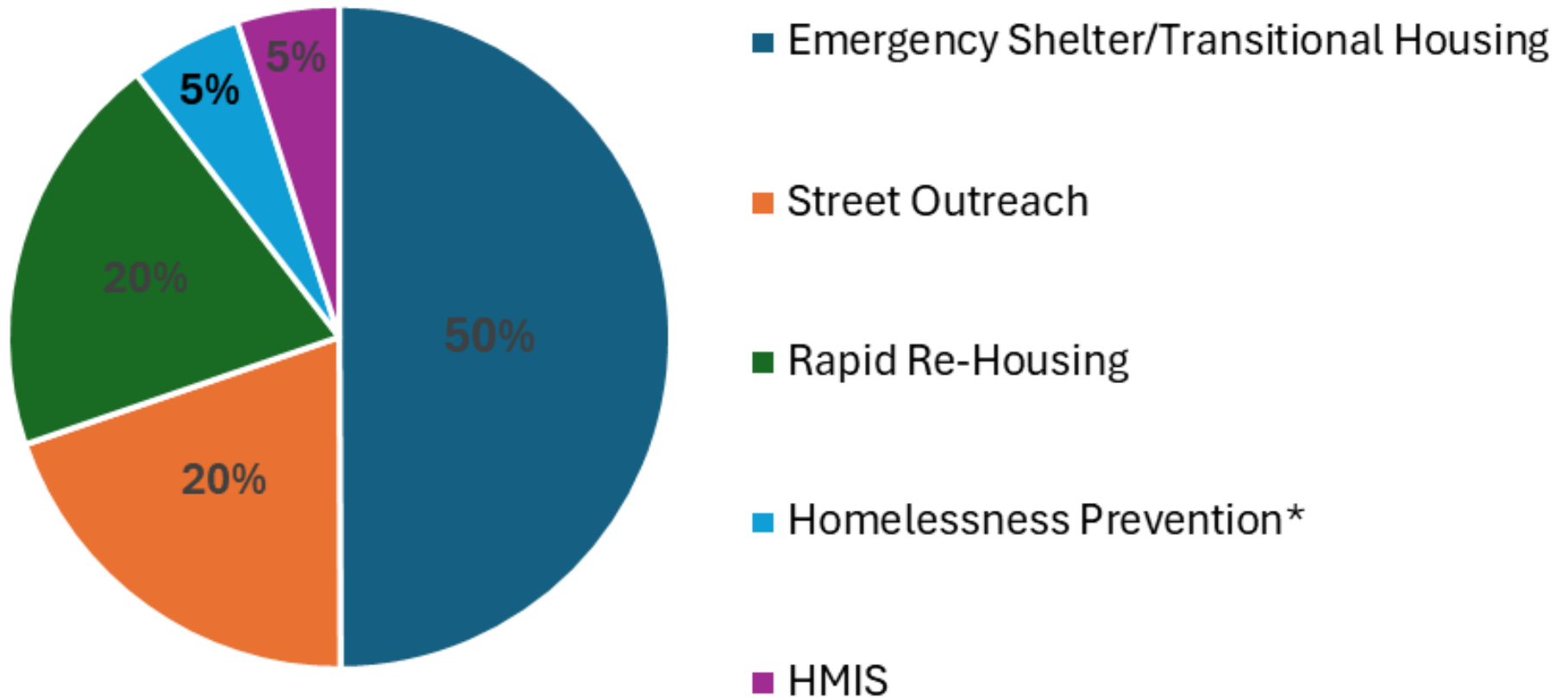


Funds Spent on Homelessness PY2020-2023*

<u>Source of Funds</u>	<u>Amount</u>
ESG-CV (100% spent)	\$3,434,461
City Homeless General Funds	\$ 918,065
CDBG-CV	\$ 862,723
ESG	\$ 600,977
CDBG	\$ 285,042
Total	\$6,101,268

<u>Amount</u>	<u>Type of Assistance</u>	<u># Individ. Served</u>
\$2,864,530	Emergency Shelter/Services	2,335
\$1,136,840	Street Outreach	885
\$1,134,728	Rapid Re-Housing	1,152
\$ 365,364	Administration	-
\$ 313,877	Homelessness Prevention*	65
\$ 285,929	HMIS	-
\$6,101,268	Total	4,437

Funds Spent on Homelessness PY2020-2023*



Does not include Administration Costs

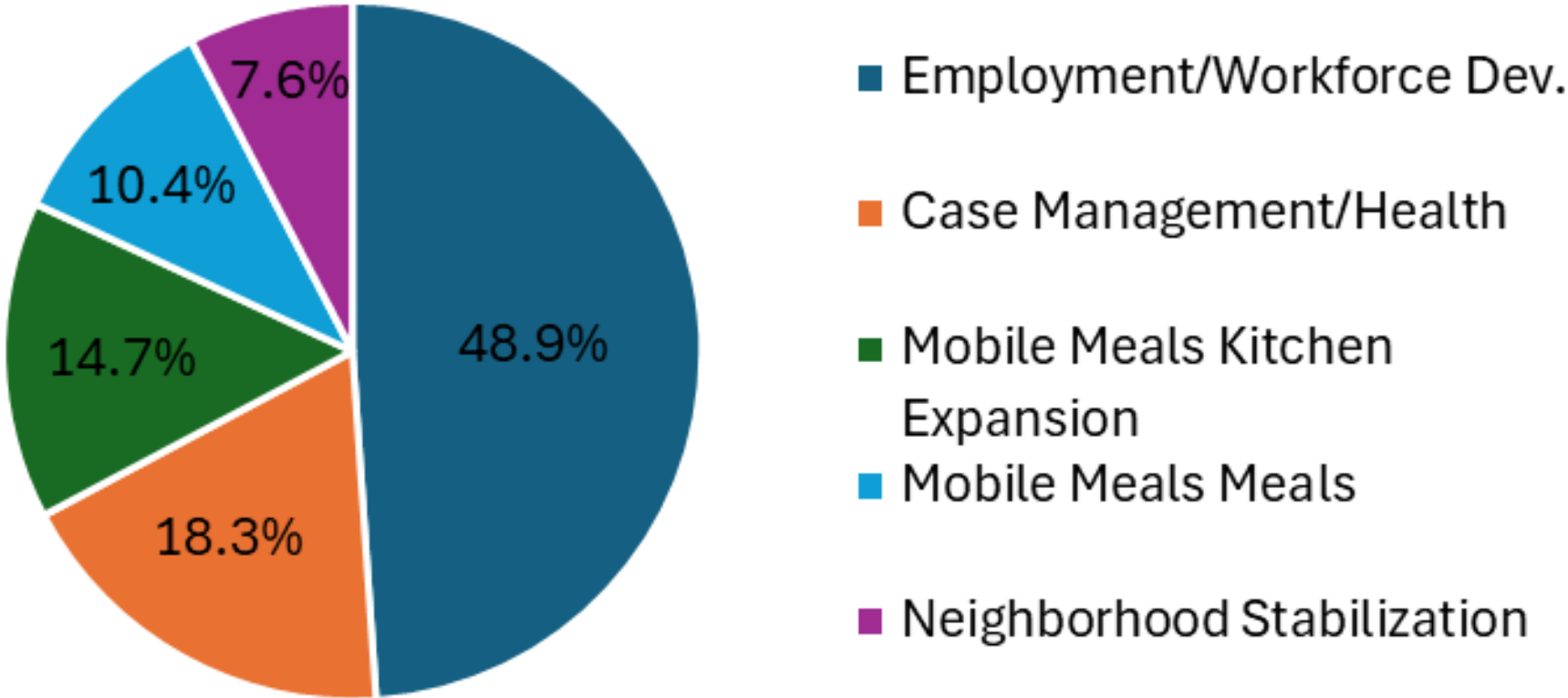
Funds Spent on Non-Housing/Non-Homeless Activities - PY2020-2023*

<u>Source of Funds</u>	<u>Amount</u>
CDBG	\$ 1,335,655
CDBG-CV (94.7% spent)	\$ 820,110
Total	\$ 2,155,765

<u>Amount</u>	<u>Type of Assistance</u>	<u># Individ. Served</u>
\$1,054,536	Employment/Workforce Dev.	483+
\$ 394,800	Case Management/Health	655+
\$ 316,860	M. Meals Kitchen Expansion	4,453+
\$ 225,000	Mobile Meals - Meals	473
	Total	6,064+

<u>\$ 164,569</u>	Neighborhood Stabilization	38 orgs/projects
\$2,155,765		

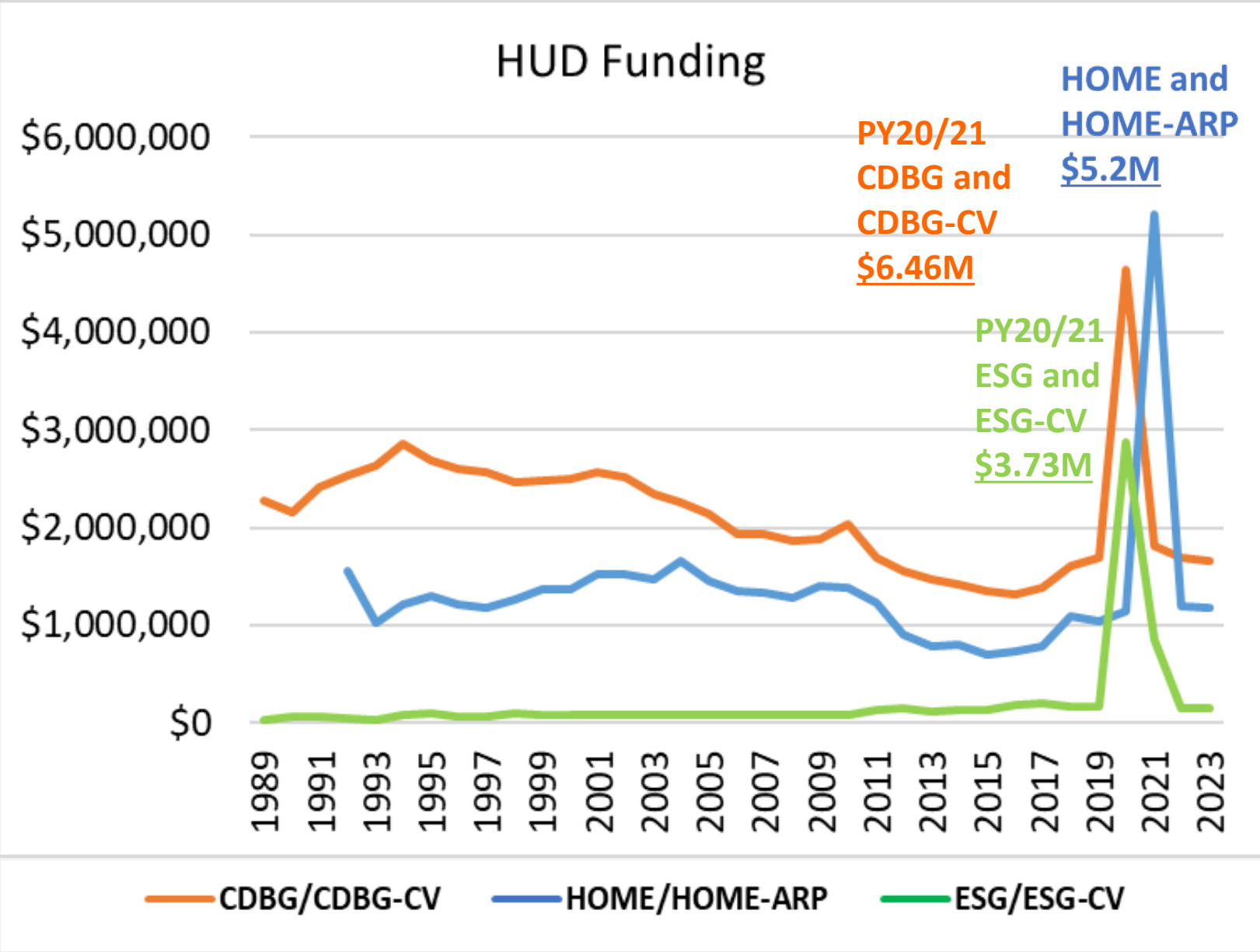
Funds Spent on Non-Housing/Non-Homeless Activities - PY2020-2023*



Notable New Programming

1. Non-Congregate Shelter for Families, Elderly, and Youth
 2. Rapid Re-housing paired w/Emergency Housing Vouchers
 3. Mobile Shower Trailers with Laundry Services
 4. Increased Street Outreach
 5. Street Outreach Mobile Tablets
 6. HMIS Equity Study
 7. COVID-19 Housing Assistance Program
 8. Mobile Meals Kitchen Expansion
 9. Eviction Prevention/better relationships with Court system
 10. Capacity Building of Non-profit Organizations
- 

Funding Sources and Amounts



\$9,000,000

HUD + Local Funding

\$8,000,000

\$7,000,000

\$6,000,000

\$5,000,000

\$4,000,000

\$3,000,000

\$2,000,000

\$1,000,000

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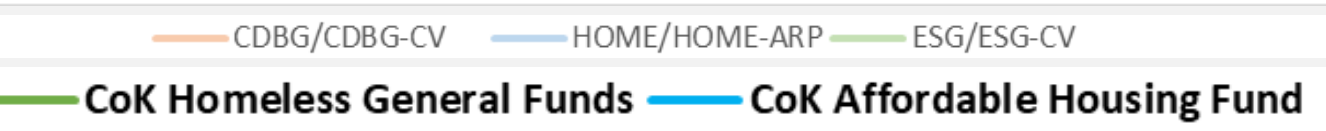
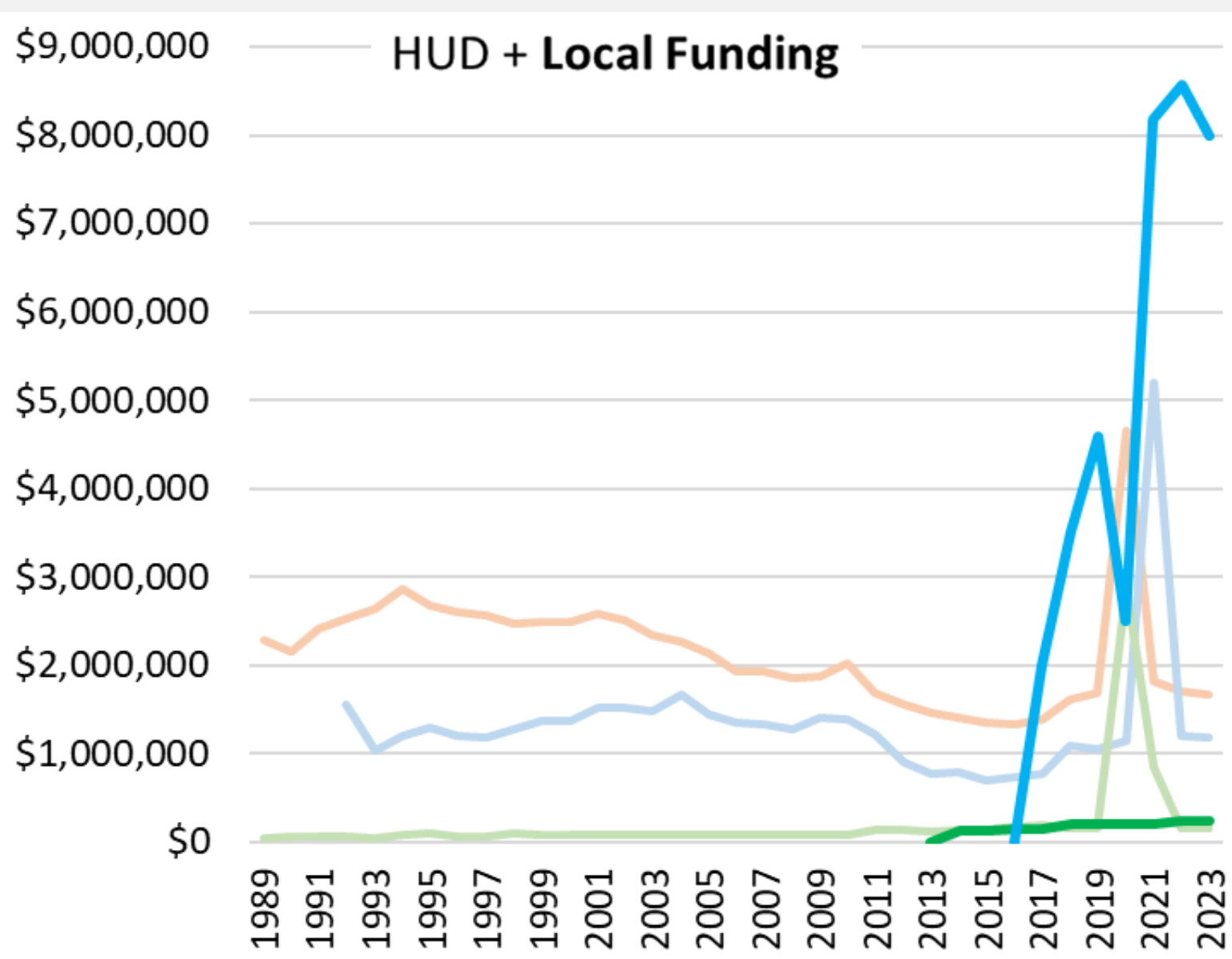
CDBG/CDBG-CV

HOME/HOME-ARP

ESG/ESG-CV

CoK Homeless General Funds

CoK Affordable Housing Fund



C. Year Five Annual Action Plan

- PY 2024-2025
- Activities beginning July 1, 2024, through June 30, 2025
- Re-evaluating changes in:
 - **Community Needs**
 - **Opportunities and Challenges**
 - **Funding Sources and Amounts**
- Consultation with Community Partners
- Citizen Participation
- Notification of HUD funding should happen in February
- Due to HUD by May 15

Anticipated HUD Funding

Community Development Block Grant (CDBG)

- Low- to Moderate-Income (LMI) people / households / areas
- Public Services capped at 15%
- **Annual application process (begins February 1, 2024)**
- **\$1,664,584 in PY2023**

HOME Investment Partnerships (HOME)

- Affordable Housing for LMI households
- **Applications accepted year-round**
- **\$1,176,996 in PY2023**

Emergency Solutions Grant (ESG)

- Homelessness
- **Annual application process (begins February 1, 2024)**
- **\$149,375 in PY2023**

Anticipated Local Funding (based on Current Year Funding)

Homeless General Funds - \$240,000 (PY2023)

- Augments ESG w/annual application process - February 1, 2024
- \$1.8 M since 2014

Knoxville's Affordable Housing Fund - \$7,472,960 (PY2023)

- Launched in July 2021
 - *Transforming Western* - \$4.2 M
 - Permanent Supportive Housing - \$500,000
 - Administration - \$72,960
- Affordable Rental Dev. Fund (ARDF) - \$2.5 M (2023)
 - \$22.1 M since July 2017
- Affordable Housing Trust Fund/East Tennessee Foundation
 - \$9.76 M since 1993 (\$200,000 in PY2023)

1. Consultation

Affordable Housing Needs

- East Tennessee Realtors (formerly KAAR) – 2023 State of Housing Report
- December 1, 2023, City-hosted Housing Strategy Update Meeting
- Affordable Housing Fund Advisory Committee
- Comments requested from affordable housing developers, CHDOs, and housing service providers

Homelessness Needs

- Knoxville-Knox County Office on Housing Stability
 - Knoxville-Knox County Homeless Coalition
 - Youth Homelessness Demonstration Program (Youth Action Board)

Non-Housing Community Development Needs

- Construction Career Ladder Roundtable
- Knoxville Chamber – November 2023 Report

Affordable Housing Needs

East Tennessee Realtors Data

- Rents in the Knoxville metro area increased more than 14% from 2022, compared to 6.6% nationally. Rents are expected to grow ~4% in 2024
 - Evictions due to rent increases continue to be a big problem (especially for moderate-income households)
 - Home prices in the Knoxville Metro Area increased almost 16% (FHFA Housing Price Index) and are expected to rise between 3% and 5%

Trends

- Existing affordable housing units are aging out of restrictive covenants and land use restrictions
- People with jobs, among others, are receiving evictions due to increased rents and cannot find alternative housing
- Homeownership is becoming unattainable
- Households are adopting payment platforms, such as CashApp and Venmo, as substitutes for traditional banking institutions
- The need for emergency and minor home repairs greatly exceeds funding and our partner's capacities (roofing repairs are a growing need)

Affordable Housing Needs

Comments:

- The housing issue is too big to solve quickly, but progress is being made
- For-profit and larger non-profit developers can take advantage of PILOTs and LIHTC, that are difficult for smaller developers and result in more units developed
- Higher tax burden limits development of smaller multifamily affordable housing
- More support for CHDOs and smaller developers of affordable housing
- Zoning is a problem – hard to get the needed density / Density Bonuses
- NIMBYism derails affordable housing development
- Fast-track permitting process for affordable housing development
- More rehabilitation of existing affordable housing (allowing for greater of FMR or LIHTC rents)
- More funding for affordable homeownership / Down payment and closing costs assistance

More Specific Population Needs

- People with jobs are living in their cars/hotels/couch-homeless because they can't find affordable housing
- Vulnerable populations (youth, single-parent, disabled, elderly) continue to be severely cost-burdened

Homelessness Needs

Street Outreach

- Medical and mental health services for unsheltered individuals
- Better coordination of outreach services
- Supports and treatment for people experiencing addiction
- General expansion of services
- Warming (and Cooling) Centers
- Hygiene services – clean/safe water, public restrooms, showers
- “Survival supplies” for those living in encampments

Emergency Shelter/Services

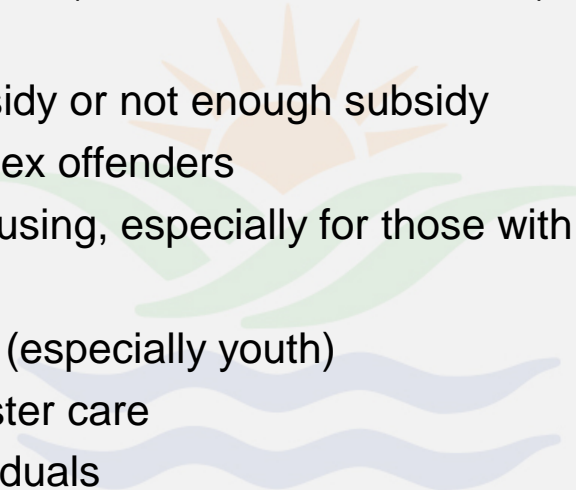
- More and greater diversity of shelter options - NCS, non-religiously affiliated, Low Barrier, and for specific populations (youth, seniors, LGBTQIA-affirming, assisted living)
- Rehabilitate existing shelters to expand and improve services

Homelessness Prevention and Rapid Re-Housing

- Post housing case management
- Housing Navigation
- Shelter Diversion
- Landlord Incentives / Risk Mitigation
- More rental assistance due to rent increases

Homelessness Needs

Other

- Increasing food insecurity
 - Time-to-housing is longer for certain populations
 - More diverse housing market (smaller household sizes)
 - More affordable housing
 - Those without a subsidy or not enough subsidy
 - Housing options for sex offenders
 - Permanent Supportive Housing, especially for those with higher care needs
 - Services that support:
 - LGBTQIA individuals (especially youth)
 - Individuals exiting foster care
 - Undocumented individuals
 - Individuals exiting the justice system
 - Holistic support for people who work in homeless services field
 - Medical respite
 - More comprehensive list of homeless service providers
 - Community case management standards and a way to enforce them
- 

Workforce Development Needs

- Knoxville has a construction labor shortage, which creates challenges for housing developers and drives up overall construction costs.
- The ***Construction Career Ladder Roundtable*** was created in 2022 to increase the number of individuals entering the construction trades.
- The group is made up of 43 individuals/24 different organizations, companies, or government offices.

Four target populations in need of additional resources/services:

- 1.) High School Students
- 2.) Individuals with a justice background
- 3.) Disengaged young adults
- 4.) Individuals who speak English as a second language

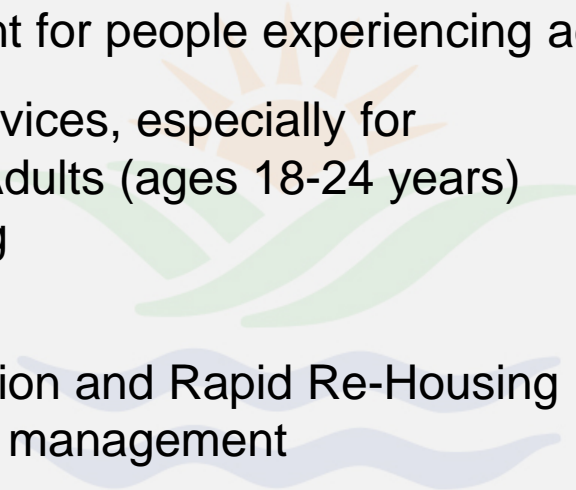
Priorities for 2024-2025

Affordable Housing

- New Affordable Rental Units, including Permanent Supportive Housing
 - Rental Housing Rehabilitation
 - Emergency Home Repairs for Owner-occupied Housing (inc. Accessibility)
 - Support new homeownership through
 - Owner-Occupied Housing Development (CHDOs)
 - Down Payment Assistance for CHDO-developed Housing
 - Owner-occupied Housing Rehabilitation
- 

Priorities for 2024-2025

Homelessness

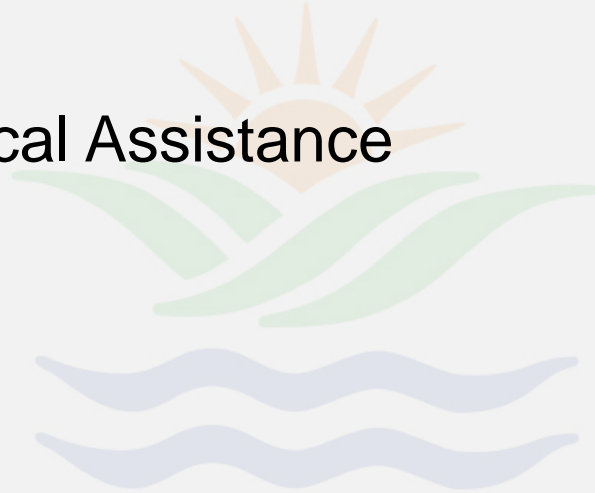
- Street Outreach
 - Hygiene services – clean/safe water, public restrooms, showers
 - Medical and mental health services for unsheltered individuals
 - Supports/Treatment for people experiencing addiction
 - Emergency Shelter/Services, especially for
 - Youth and Young Adults (ages 18-24 years)
 - LGBTQIA-affirming
 - Seniors
 - Homelessness Prevention and Rapid Re-Housing
 - Post-housing case management
 - Shelter Diversion
 - Direct financial assistance
 - HMIS
- 

Priorities for 2024-2025

Workforce Development for Construction Career Ladder

- Construction skills training
- Removal of barriers for LMI individuals to enter construction trades

Design and Technical Assistance



2. Discussion / Public Input

Your Turn!

In-person participants may either:

1. Raise their hand to be recognized by the Facilitator or
2. Write questions or comments on an index card to be read by staff later.

Online participants may either:

1. Use the “Raise Your Hand” function to be unmuted by the Zoom Facilitator or
2. Type questions or comments into the “Q&A” function to be read by the Zoom Facilitator.

All participants may email in comments or questions later.

3. Annual Action Plan Process/Timeline

Public Meeting #1 (tonight)

January 23, 2024

Applications Released for
CDBG and Homeless Grants

February 1

www.knoxvilletn.gov/development
“Grant Opportunities”

Mandatory TA Workshops

February 5 & 6

Applications Due

February 23 (12:00 Noon)

Staff Prepare Draft Annual Action Plan

February – March 27

Draft Available for Review (30 days)

March 28 – April 26

Public Meeting #2

April 23

Staff Make Revisions as needed

April 26 – May 15

City Council Review / Vote

April 30

Annual Action Plan due to HUD

May 15, 2024

City of Knoxville
Community Agency Grants

Applications are due **Feb. 15, 2024**

Jennifer Searle
865-215-2267
jsearle@knoxvillekn.gov

City of Knoxville
CDBG and Homeless Grants

Application are due by **12:00 PM (Noon) on Feb. 23, 2024**

CDBG – Hope Ealey
865-215-2290
healey@knoxvillekn.gov

Homeless Grants - Bailey Walker
865-215-2888
bwalker@knoxvillekn.gov

Please send your comments or questions to

Linda Rust

LRust@knoxvilletn.gov

or

P.O. Box 1630

Knoxville, TN 37901-1630

Thank you for joining us!

www.knoxvilletn.gov/development