

# TOWARD AN ATTAINABLE RESILIENT

# KNOXVILLE



CITY OF KNOXVILLE  
FEBRUARY 2024

HOUSING STRATEGY  
UPDATE







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**LETTER FROM THE MAYOR** **03**

---

**INTRODUCTION** **04**

---

**ATTAINABILITY CHALLENGE** **05**

---

**HOUSING INVENTORY, AFFORDABILITY AND COMPETITION** **07**

---

**AFFORDABLE HOUSING ECOSYSTEM** **10**

---

**HOUSING PROGRESS** **14**

---

**RECOMMENDATIONS** **16**

---

**CONCLUSION** **24**

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# LETTER FROM THE MAYOR

As I begin my second term as Mayor of the City of Knoxville, I am proud to announce that we have emerged from the pandemic as a vibrant, growing city with a bright, promising future. Knoxville is a place where people want to be, and many are choosing to move here from other places where the cost of living is much higher, and the affordable housing crisis is much more acute. Growth is good, but it also brings about new challenges. As we welcome our new neighbors, we must also acknowledge that the housing crisis is real. We must make certain that Knoxville remains attainable to individuals and families at all income levels.

In the past four years, the City of Knoxville has invested more than ever in affordable housing. We have over-delivered on my promise, made in 2021, of contributing \$5 million dollars per year for affordable housing. Far exceeding that goal, we have invested more than \$40 million in housing since 2020. This funding has leveraged more than \$600 million in other public and private investments and resulted in more than 2,300 affordable housing units being built or in some stage of the development process. I am proud of our substantial progress on housing, and we will be even more aggressive and innovative in the next four years. The City has developed a housing dashboard to track the development of market rate and affordable housing. You can stay up to date on Knoxville's housing at [KnoxvilleTN.gov/development](https://KnoxvilleTN.gov/development).

The recommendations in this document outline what we will do to respond to the housing crisis and how we will utilize each lever under my authority to make certain that Knoxville remains resilient and attainable to everyone.



Mayor Indya Kincannon





# INTRODUCTION

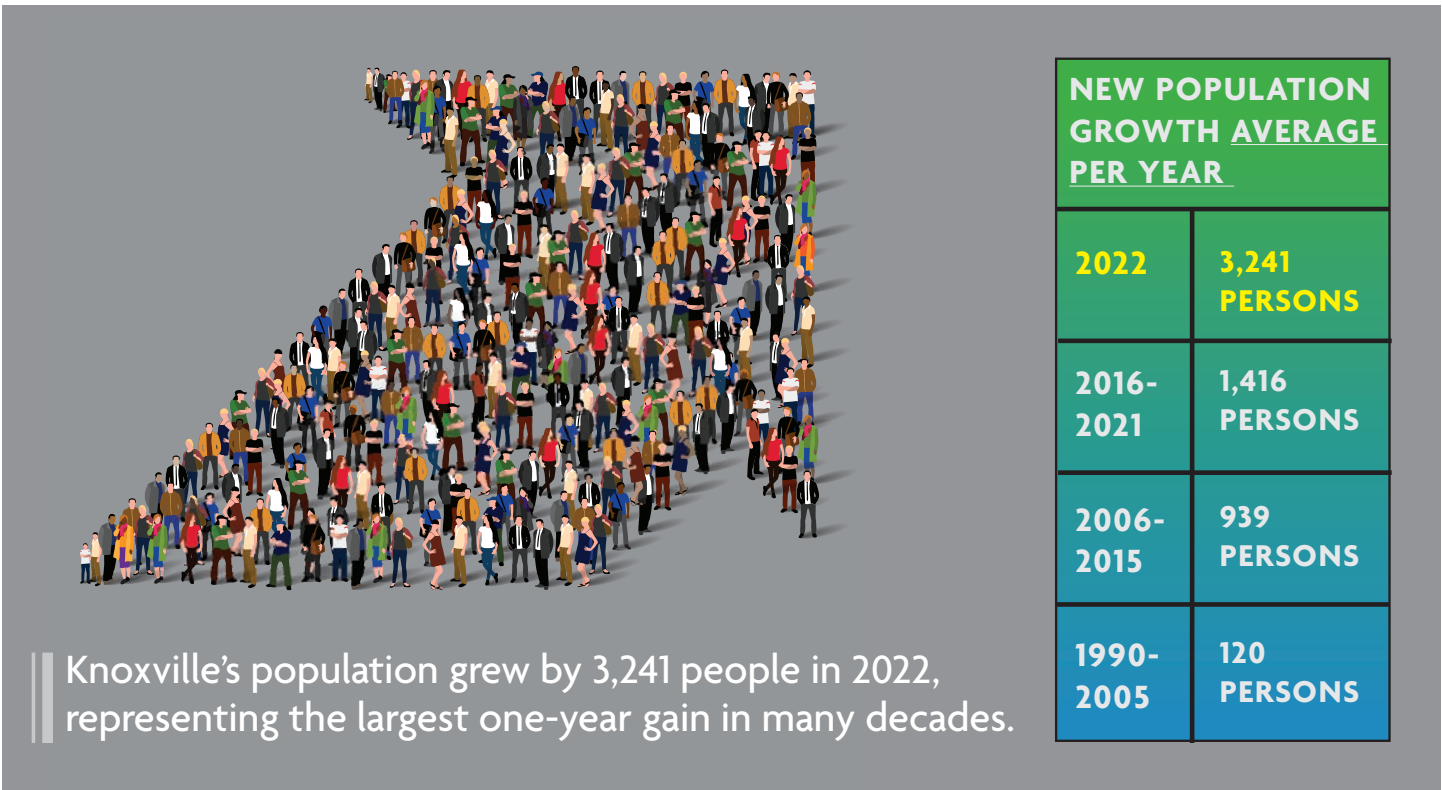
Over the past year, the City of Knoxville has been evaluating its progress and effectiveness in responding to the growth challenges and housing needs of residents. Population growth within the city limits has been historic, resulting in a crisis in the attainability of housing. The City's ongoing response has been robust, averaging more than

\$9 million per year in local funding for housing and neighborhood development during the period of 2021-23. Like most communities across the country, Knoxville's home prices have increased substantially in the past few years. Rental rates have been variable but have also increased in that same time.





# ATTAINABILITY CHALLENGE



**K**noxville’s housing supply challenges affect individuals and families across the income spectrum. Knoxville is a strong, vibrant community and a great place to live. It has also increasingly become a place where people want to visit. This influx of residents and visitors adds additional demand for an already limited supply of housing. A lack of housing that is attainable to the workforce and those with lower incomes threatens the city’s vibrant economy. Lower income households face not only an insufficient supply of housing affordable to them, but must also compete for those same units with people at higher income levels because there is also an insufficient supply of housing attainable for middle income individuals and families.

A tight housing market causes patterns of housing insecurity and socioeconomic inequalities to arise and intensify with each upswing in population. A housing market with strong attainability for middle-income

households also provides for greater affordable housing opportunities for those at the low end of the income spectrum.

Knoxville’s population grew by 3,241 people in 2022, representing the largest one-year gain in many decades. Historically, the city has grown at a much slower pace. For example, the city saw very modest growth in the 15-year period of 1990 and 2005, with only 1,800 new residents bring the total population to 172,962 — a 1 percent increase. This rate of change was consistent with growth trends from previous decades. After 2005, the city’s population increased at a higher rate through 2015, adding nearly 9,500 new residents in 10 years. Since 2015, a different story has taken shape. Steady gains were replaced by starts and stops in growth until 2019; thereafter, the city’s rapid population increase dominated news headlines. In total, the past seven years witnessed an addition of 11,740 new residents, with 8,360 of that total reported in just the past three





years. As a result, the city reached a record-high total population of 195,889 in 2022.

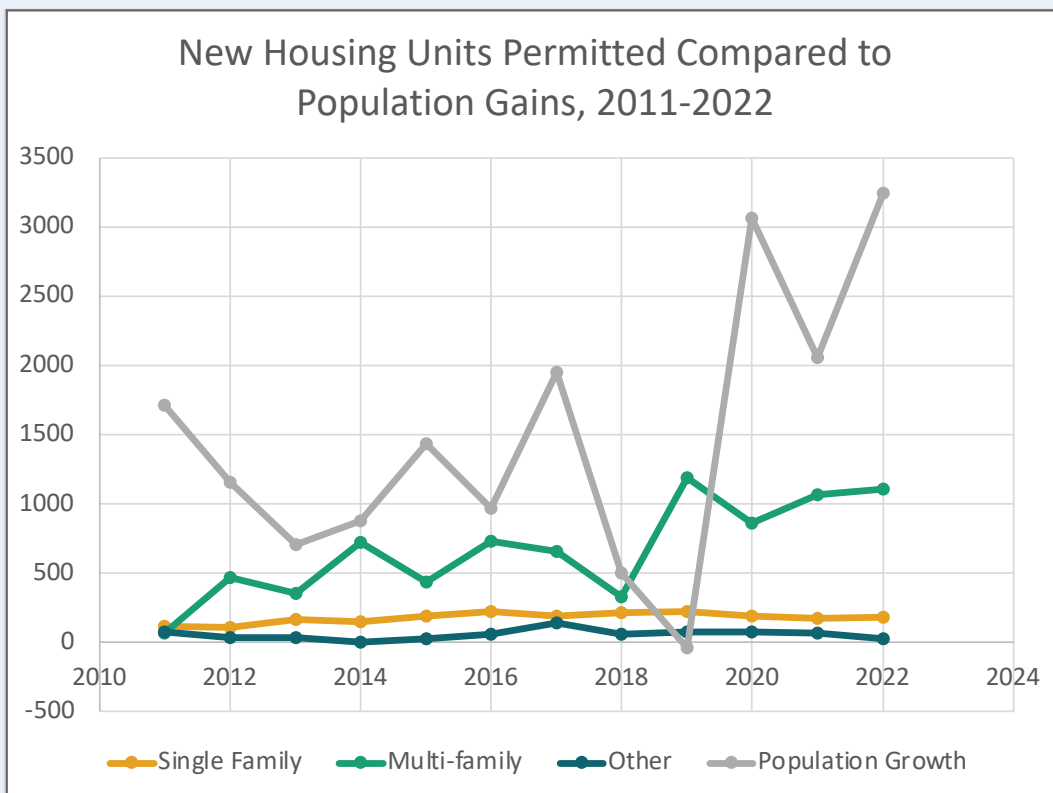
However, during this period of population growth, housing construction slowed significantly due to the 2007-2009 economic crisis—the Great Recession. Knoxville, like many cities, is still working to recover from the slow development seen in the four to five-year period after the crisis. With capital limited or unavailable, housing construction slowed to almost 30-year lows between 2009-2014. Only 71 new apartment units were built in 2011, and only 111 new single-family homes were built in 2012. By comparison, in 2022, 1,320 new units were built: 1,104 apartments and 216 single-unit detached and attached dwellings.

Knoxville’s housing inventory totaled 95,106 units in 2022. (Note that a housing unit can be an apartment with only one occupant or a home with an entire family living in it, or anything in between.) In both 2010 and 2021, there was a nearly even split between owner- and renter-occupied units. In 2010, owner units

had the edge with a slightly larger 51 percent share. In 2022, however, the gap between owner- and renter-occupied units grew as the share of renter-occupied units increased to 55.2 percent and owner-occupied fell to 44.8 percent. Availability in the local housing market is very tight, with 97.3 percent of owner units occupied, and 94.6 percent of rentals taken.

Only 71 new apartment units were built in 2011, and only 111 new single-family homes were built in 2012.

New Housing Units Permitted Compared to Population Gains, 2011-2022





# HOUSING INVENTORY, AFFORDABILITY AND COMPETITION

## HOUSING NEEDS

As of 2022, Knoxville's Housing Price Index is 71.8, which is 28.2 points lower than the national Index value and lower than several neighboring cities, including Asheville (102.0), Chattanooga (92.6) and Nashville (106.5). Index values less than 100 are below the national average, whereas values over 100 are above the national average. In 2023, the City of Knoxville estimated average home sale prices to be between \$194,000 and \$287,000, depending on size, and the estimated median rental listing at \$1,700 per month.

Of the city's total inventory of 85,304 occupied housing units, 47,080 are rental units, holding a 55.2 percent share. About 34 percent of the rental market was priced between \$500 and \$999 per month in 2021, comprising 15,440 units. Another one-third of the inventory is priced between \$1,000 and \$1,499 per month.

HUD defines cost-burdened families as those who pay 30 percent or more of household income for housing. Families paying 50 percent or more on housing are severely cost-burdened. Almost half of all Knoxville renter households are cost-burdened, and about half of those households are severely cost-burdened: 11,877 renter households pay between 30 and 49.9 percent of income to housing, while 10,927 households pay 50 percent or more.

Knoxville's lowest income households face the greatest challenge in finding affordable housing. There are 6,515 households with income below \$10,000 but only 1,604 rental units priced within reach (based on the HUD's affordability guideline). In addition, there are 7,193 renter-occupied households with incomes between \$10,000 and \$19,999, but only 2,410 affordable units. This speaks to two problems: a) lack of inventory within the two lowest income ranges and





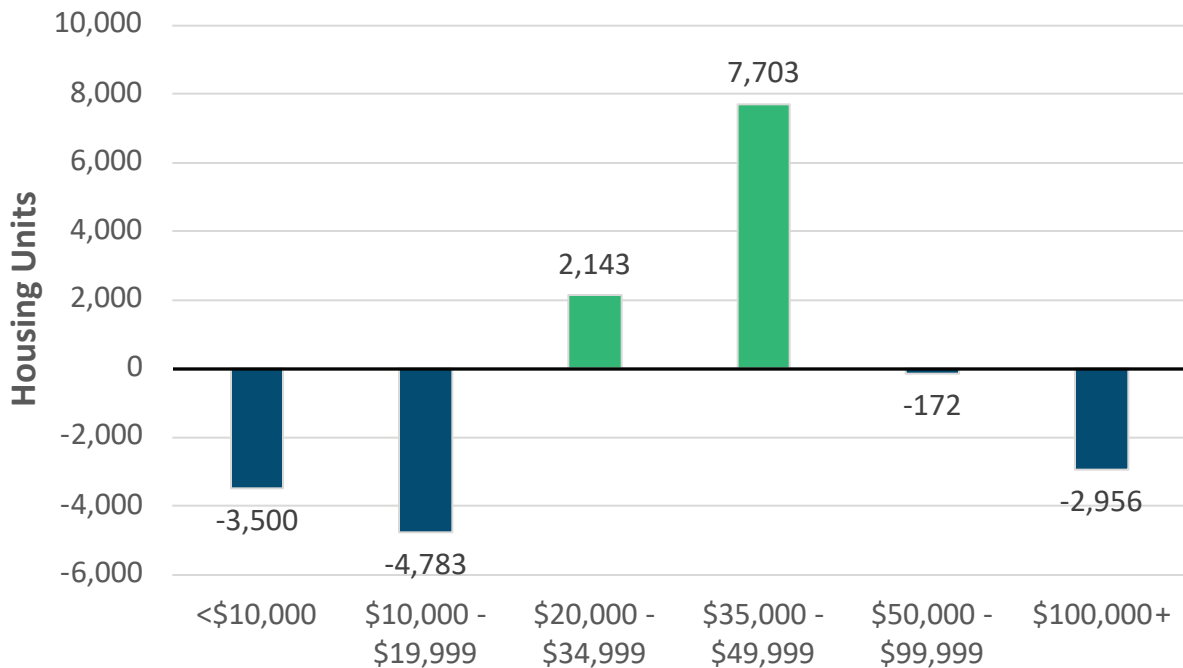
b) competition between those income earners who can opt for lower-priced rentals (even when they can afford higher-priced units) and those who can only afford lower-priced rentals.

While competition for affordable units occurs across all but the highest income range, it has the most impact on households with incomes under \$35,000. Inventory numbers seem to indicate that there is ample supply of rental units affordable to households in the \$35,000 to \$49,999 income range. However, those households must compete with renters above and below in income, where supply is limited or scarce. Below \$35,000, there are 21,020 households, and only 14,880 affordable units. Above \$50,000, there are 18,321 households, and only 15,193 units.



This speaks to two problems: a) lack of inventory within the two lowest income ranges and b) competition between those income earners who can opt for lower-priced rentals (even when they can afford higher-priced units) and those who can only afford lower-priced rentals.

**Affordable Rental Inventory by Annual Renter Income, 2022**





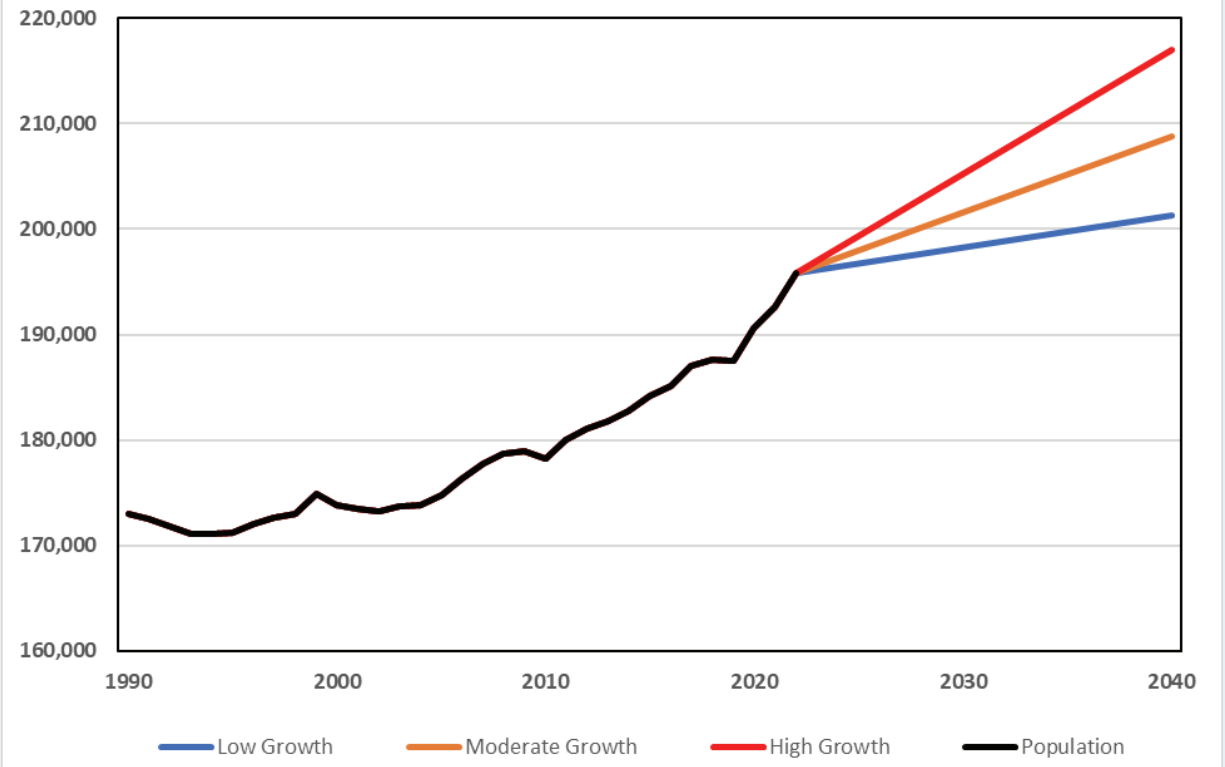


## PROJECTED GROWTH

Based on recent growth trends, Knoxville is projected to reach a population of 216,935 by 2040, a gain of 21,046 new residents in 18 years. Using the city’s average household size (2.16 people), Knoxville will need an additional 9,744 housing units (or an annual average of 541 units) to accommodate anticipated growth. By comparison, in 2022, Knoxville produced 1,320 new units – 1,104 were apartments and 216 were single-unit detached and attached dwellings.



KNOXVILLE POPULATION 1990-2022 WITH PROJECTIONS TO 2040



in 2022, Knoxville produced 1,320 new units – 1,104 were apartments and 216 were single-unit detached and attached dwellings



# THE AFFORDABLE HOUSING ECOSYSTEM

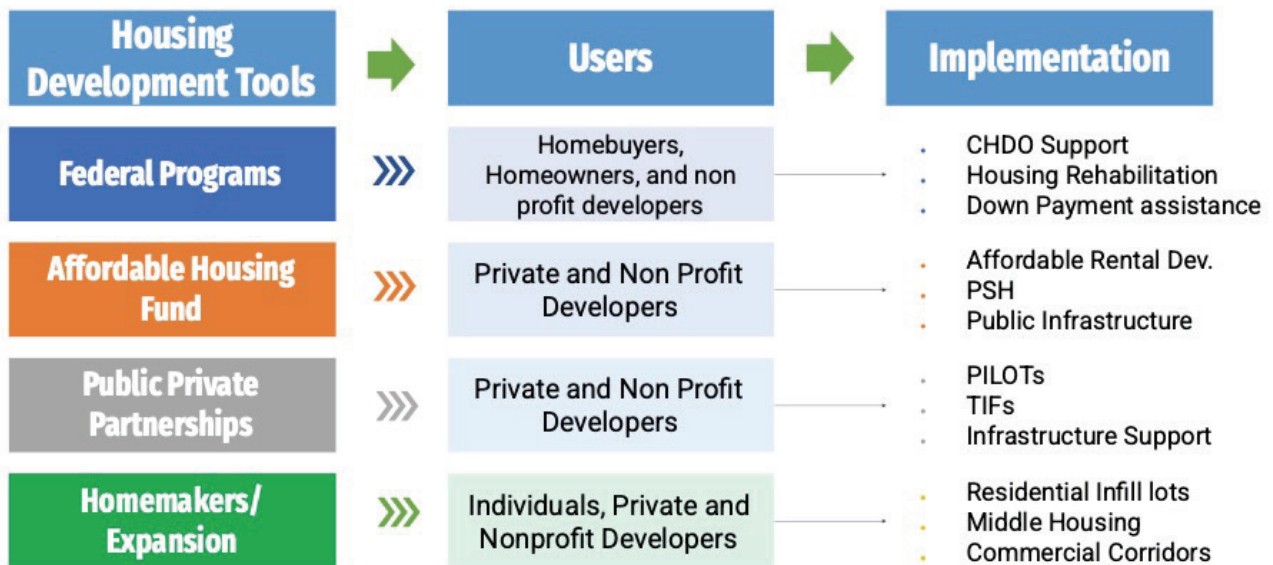
For many years, the City of Knoxville has operated programs through its Housing and Neighborhood Development Department that increase and improve the available affordable housing stock in our community.

## OWNER-OCCUPIED REHABILITATION PROGRAM

The City’s Owner-Occupied Rehabilitation Program has been in operation for decades, providing resources and technical assistance to help low- and moderate-income homeowners make significant home repairs, or even demolish the existing home and rebuild from the ground up. Homeowners receive low-interest and forgivable loans to pay for repairs or reconstruction. If they continue to live in the home for a certain number of years while paying off the low-interest loans, a portion of the loans will be forgiven altogether.

City staff also provide participating homeowners with technical assistance to determine what improvements are needed, develop a project plan, bid out the work

to qualified contractors, and guide the homeowner through the rehabilitation or construction process.



The Owner-Occupied Rehabilitation Program helps stabilize neighborhoods by retaining longtime residents, while improving home values and spurring others nearby to make improvements themselves.





## RENTAL REHABILITATION PROGRAM

The City's Rental Rehabilitation Program provides owners of substandard residential rental property with financial and technical rehabilitation assistance to improve their properties. Participants agree to a term (5 to 20 years) of rent and occupancy restrictions which keeps the housing available to lower-income families at an affordable rent.

The City makes deferred-payment forgivable loans to rental property owners, requiring no monthly payments to subsidize the required costs of rehabilitation. Total funding is limited to 80 percent of the total project cost, or a maximum of \$30,000 per unit. This program improves the quality of affordable rental housing, while also assuring that it continues to be affordable to low- and moderate-income individuals and families for years to come.

## HOMEMAKERS PROGRAM

The City offers vacant lots and lots with substandard structures for sale to individuals, non-profit organizations and businesses. These properties have been identified by the City for acquisition to further its mission to remove blight, redevelop neighborhoods, and provide affordable housing opportunities. In almost all cases, the buyer will be required to construct a new dwelling on the property or rehabilitate the existing structure.

Properties in this program are either acquired directly from owners or taken through a legal acquisition procedure to assure due process and to assure the



Through the Homemakers Program, the City addresses blighted or abandoned homes or residential lots while generating reinvestment and infill housing in vulnerable communities.

property has a clear title before entering this program. Available properties and applications are listed online. Qualified applicants then acquire the property through an agreement with the City that includes a provision that the purchaser will construct a dwelling or rehabilitate the existing structure within one year, or risk forfeiting the property back to the City. This assures the objective of clearing blight and adding to the housing stock in the community.

## EMERGENCY HOME REPAIR

The City of Knoxville uses HUD Community Development Block Grant (CDBG) funds to contract with nonprofits that provide free emergency home repair services and accessibility modifications for low- and moderate-income households. Home repairs for eligible homeowners may include plumbing, HVAC, roofing, water heaters, structural damages, electrical improvements, floors, exterior windows, doors, and water infiltration. Accessibility modifications for homeowners and renters include access ramps, railings, and interior modifications. These services have helped hundreds of homeowners and renters to safely remain in their homes.

## LEAD-SAFE AND HEALTHY HOMES

The Lead-Safe and Healthy Homes Program works to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing. Homes built prior to 1978 could potentially contain lead-based paint. The older the home, the greater the chances of lead-based paint or high levels of lead dust. Lead-based paint that is in poor condition and peeling, crackled, chipping, chalking or applied to friction and impact surfaces (such as windows



and doors) can create a lead hazard, which can also include lead dust and lead-contaminated soils. These lead hazards can negatively affect the health of both children and adults, but children under six years old are particularly vulnerable to brain and nerve damage and slowed growth or development. The City operates this model program to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing.

The City offers grants to help remediate lead-based paint hazards to qualifying homeowners and rental property owners. The program provides certified contractors to inspect, assess and remediate lead paint issues in the home. Repairs may include replacing old wooden windows with new vinyl windows, vinyl siding

and aluminum trim, covering porch floors and ceilings, and fresh paint.

### PERMANENT SUPPORTIVE HOUSING

The City supports the development and continued operation of Permanent Supportive Housing (PSH) for individuals and families who have experienced chronic homelessness. PSH provides tenants with a lease for a permanent place to live, accompanied by onsite case management and supportive services to help them remain successfully housed.

PSH is operated under the Housing First model, meaning persons experiencing homelessness are helped to obtain housing as quickly as possible, with the support services following them into housing. This model is designed to help them address the issues that caused their homelessness; the stability of permanent housing helps them succeed in addressing their other issues. The City provides resources for operating supportive housing in places like Minvilla Manor and Flenniken Landing, while providing assistance through the Affordable Housing Fund, and with Federal funding like the HOME Investment Partnership program to develop new units of PSH, such as Caswell Manor and Callahan Flats.

### AFFORDABLE RENTAL DEVELOPMENT PROGRAM

The Affordable Rental Development Program makes funds available to for-profit and non-profit developers







for new construction of multifamily (5+ units) projects and for retrofitting existing buildings that will have 5+ units within Knoxville city limits. Properties may be located anywhere within city limits and can be mixed-income housing, low-income housing, or supportive housing for people with special needs (if sufficient operating funds are available from other sources).

Funding awards are determined by several factors, such as cash flow, income of target tenants, and maximum rents. With City discretion, the maximum award is \$30,000 per unit, or \$50,000 per unit for Permanent Supportive Housing. All developments are required to meet or exceed the 2018 International Residential Code for energy efficiency guidelines as adopted by Housing and Neighborhood Development.

### CHOICE NEIGHBORHOOD GRANT

A \$40 million “Choice Neighborhoods” grant from the US Department of Housing and Urban Development brought into being the Transforming Western initiative. The initial spark centered around the plan for simply improving the affordable housing units in the Western Heights public housing apartments. Transforming Western will do much more, however, by leveraging significant public and private funds to support implementation of locally driven strategies to improve public housing through a comprehensive approach to neighborhood transformation.

The Transforming Western initiative will include

rebuilding or significantly renovating the affordable housing already available at Western Heights and will offer more affordable housing units than are currently located on-site. Additional units will also be made available through the development of new housing at varied income levels, including low-income and affordable housing. According to HUD research, residents of mixed-income sites experience better quality housing, lower neighborhood unemployment and poverty, and increased safety.

Additional philanthropic investment provided by individuals, companies and foundations will be used for site amenities such as parks, greenspaces, community spaces and social services. The initiative will incorporate arts, culture and entrepreneurship to anchor the community, and will provide enrichment opportunities for youth, and access to affordable, healthy and fresh food options.

Transforming Western represents a giant leap in Knoxville’s pursuit of affordable housing tied to stronger neighborhoods and innovative economic and community development.





# HOUSING PROGRESS

## Developments completed, approved or under construction since 2019

	Development	Total units	City Funds	Leverage Funds	Status
1	Southside Flats	172	\$360,000	\$30,227,398	Complete
2	The Restoration House	30	\$330,000	\$3,639,622	Complete
3	Cottages at Clifton	53	\$1,200,000	\$4,473,000	Complete
4	Young High Flats	156	\$1,320,000	\$30,588,068	Complete
5	Pond Gap Flats	102	\$555,000	\$21,016,666	Complete
6	Dogwood Springs	50	\$1,500,000	\$4,400,000	Complete
7	The Village at Holston Place	24	\$380,000	\$3,330,000	Complete
8	The Ammons at Asheville Hwy	80	\$2,000,000	\$18,458,856	Complete
9	Burlington Commons	50	\$1,470,000	\$8,285,351	Complete
10	Moss Grove	192	\$950,000	\$42,479,280	Complete
11	Caswell Manor	48	\$1,440,000	\$16,875,384	Complete
12	Dogan-Gaither Flats	16	\$480,000	\$3,380,368	Complete
13	Inskip Flats	66	\$1,980,000	\$15,036,834	Under Construction
14	Callahan Flats	88	\$3,800,000	\$25,690,697	Under Construction
15	Central Terrace	112	\$2,065,000	\$27,561,411	Approved
16	First Creek at Austin - Phases 1, 2, 3	446	\$14,130,000	\$95,000,000	Under Construction
17	Liberty Place PSH	32	500,000,00	\$12,197,631	Under Construction
18	Grosvenor Square	184	\$1,750,000	\$69,918,861	Approved
19	Riverside at Holston	96	\$750,000	\$33,099,653	Approved
20	Transforming Western (6- year commitment)	380	\$8,400,000	\$200,000,000	Under Construction
		<b>2377</b>	<b>\$44,860,000</b>	<b>\$665,659,080</b>	





# HOUSING PROGRESS

## Federally funded projects completed, approved or under construction since 2019

	Development	Total units	City Funds	Leverage Funds	Status
1	Holston Village (Also received local funds)	24	\$425,000	\$3,059,147	Complete
2	Premier Properties	40	\$548,749	\$46,683	Complete
3	Covenant Village	70	\$500,000	\$13,774,297	Complete
4	Sutherland Square	36	\$539,964	\$241,668	Complete
5	Rudas LLC	1	\$30,000	\$24,408	Complete
6	D. Haynes	1	\$30,000	\$30,000	Complete
7	Applewood	20	\$30,000	\$1,357,281	Complete
8	Westview Tower	240	\$510,000	\$95,234,910	Under Construction
9	ML Acquisitions	2	\$64,060	\$80,701	Under Construction
10	Owner Occupied Units	26	\$2,517,920	\$0	Complete
11	Owner Occupied Units	10	\$1,542,254	\$0	Under Construction
12	CHDO Homeownership	17	\$1,551,750	\$1,483,200	Complete
13	CHDO Homeownership	1	\$150,000	\$87,500	Under Construction
		<b>488</b>	<b>\$8,439,696</b>	<b>\$115,419,795</b>	



# RECOMMENDATIONS

The Attainable Resilient Knoxville strategy is a set of interim recommendations to produce and preserve housing attainable to individuals and families at all income levels. The strategy provides direction for future decisions, including the allocation of resources. These recommendations build upon past successes, including the creation

of the Homemakers Program and the Affordable Housing Trust Fund through the East Tennessee Foundation in the 1990s, City incentives for housing in the 2000s, the Affordable Rental Development Program in 2017 and the Affordable Housing Fund established by Mayor Kincannon in 2021.







# VISION

*Knoxville will continue to be a city attainable for all residents to be housed regardless of their income level.*

## MEASURABLE GOALS

By the year 2029, the City will encourage the development of 6,000 to 8,000 new housing units, including 2,000 newly constructed affordable housing units and preservation of 1,000 affordable housing units.

To meet this goal, the City will need to implement new strategies to spur development, including addressing land use policies that promote gentle and appropriate higher densities, and redeveloping blighted properties within neighborhoods and along major corridors. This is an

aggressive goal that will double more recent development trends.

Approximately 7,760 units were built in the city from 2011 to 2022. The market is the biggest lever available to the City to address the housing crisis. The City is aligning incentives and regulations to allow the market to keep up with demand for housing of all types, in great neighborhoods.





## AMPLIFY THE AFFORDABLE HOUSING FUND

*Expand the fund. Find new investors.*

### BACKGROUND

In 2021, the City of Knoxville established Knoxville's Affordable Housing Fund, a \$50 million City commitment for ten years to support affordable housing development and other housing activities that address local needs. The Fund has been a tremendous addition to the housing ecosystem, quickly facilitating the scale-up of the development of affordable housing and resulting in hundreds of new affordable housing and Permanent Supportive Housing (PSH) units.

During the first three years, the City of Knoxville has contributed \$26.9 million toward the Fund, far exceeding the original \$5 million-per-year commitment. Since 2019, more than 2,300 new affordable rental units have been completed, approved, or are under construction. During this period with the \$26.9 million contributed through the Fund, the City has invested over \$40 million in affordable housing development and leveraged over \$600 million in other private and public investment.

These developments are located in diverse locations across the city and have rents designed to be affordable to families with incomes at or below 80 percent of the Area Median Income (AMI), offering additional opportunities for Section 8 voucher holders and others needing subsidized housing.

The purpose of the Fund is to accept (including from private donations) and disburse funding to address the affordable housing needs of individuals and families of low- and moderate-income households.

### KEY PRIORITIES

1. Partner with the non-profit community, local foundations, and philanthropic donors to fund Knoxville's Affordable Housing Fund more deeply. Infusing an additional \$1 to \$2 million annually in the fund will produce hundreds of additional housing units.
2. Provide infrastructure support to Transforming Western and other catalytic comprehensive redevelopments spurring new housing, economic development, and community building.





## LEVERAGE PUBLIC-PRIVATE PARTNERSHIPS (PPP)

*Increase housing supply across all markets and create safe and connected neighborhoods.*

### BACKGROUND

The City of Knoxville values Public-Private Partnerships aligned with its strategic development priorities, and that support public benefits and amenities. Public-Private Partnerships can include PILOTs, TIFs, Development Agreements, and the like. Applicants for economic development assistance should thoughtfully design their projects with the City's Key Development Priorities in mind. These priorities focus on type of project, location, characteristics, and integration with public amenities and transportation. Additionally, the Process Roadmap for Public-Private Partnerships clearly outlines the steps and associated timeline of the process.

The City is currently supporting 4,081 units of affordable housing through tax incentives, serving those with low incomes. Another 72 workforce housing units in mixed-used developments are also being supported by the City. Tax incentives are a City tool that incentivizes the construction and rehabilitation of housing as an indirect way of financing development projects. As standard practice, the City negotiates with developers to include workforce housing as part of the public private partnership process.

### KEY PRIORITIES

1. Create equitable economic development and growth through the strategic use of public resources to leverage quality private investment to increase housing supply across all markets.
2. Create a Redevelopment Area from downtown to Burlington/Chilhowee Park along the Magnolia Corridor.





## INCREASE HOUSING STABILITY

*Improve the system. Grow Permanent Supportive Housing.*

### BACKGROUND

The City of Knoxville has collaborated with Knox County to establish a new Knoxville-Knox County Office of Housing Stability (OHS) to lead efforts to prevent and respond to housing instability and homelessness. The OHS collaborates with the Knoxville-Knox County Homeless Coalition, housing agencies, homelessness service providers, and people with lived experience of homelessness to set a common vision with shared goals informed by a systems-level, evidence-based approach that is data-driven to keep families in their homes and connect people to housing opportunities and services.

Permanent Supportive Housing (PSH) is among the most important of the data-driven, evidence-based approaches to ending homelessness in our community. Following the Housing First approach, PSH is a proven solution to chronic homelessness. Knoxville has positive, proven experience with the effectiveness of Permanent Supportive Housing, with the creation of 58 PSH apartment units at Minvilla Manor in 2010, followed soon after in 2011 with 48 at Flenniken Landing. Since these two locations opened, McNabb Center has opened three smaller PSH locations to house 33 military veterans, and just last year, Volunteer Ministry Center opened Caswell Manor, 48 units of PSH just East of Downtown.

While continuing to financially assist ongoing operations of existing PSH, the City will work with its community partners to create more PSH to meet the need. Two examples are: a) Liberty Place, which includes 32 PSH units for military veterans being built by Knoxville's Community Development Corporation (KCDC) in cooperation with the US Veterans Administration, and b) Callahan Flats, 58 units of PSH, plus 30 additional units of affordable housing being developed by Knoxville Leadership Foundation.

### KEY PRIORITIES

1. Support the Knoxville-Knox County Office of Housing Stability to develop and implement a coordinated action plan for addressing homelessness in the Knoxville community.
2. Support the Homeless Coalition and the Youth Action Board to develop a strategic plan for addressing youth homelessness as part of the initial two-year \$1.8 million award from HUD for the Youth Homelessness Demonstration Program (YHDP).
3. Seek out development of additional units of Permanent Supportive Housing, and micro housing PSH, to make more of this critical resource available to meet the need.





## PRESERVE NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

*Protect the existing affordable housing stock built prior to 1994.*

### BACKGROUND

NOAH is a housing type that is best characterized currently as unsubsidized affordable housing built prior to 1990, offering below market rents compared to the area housing market. NOAH housing is the most common source of affordable housing in the city. In Knoxville, 71 percent of the housing stock is older than 30 years, and 47 percent of the housing stock is older than fifty years.

In a tight rental market, NOAH developments are targeted by investors for acquisition and rehabilitation with the intention of increasing rents to market averages. These “market flips” adversely impact the segment of the workforce that is gainfully employed and living in affordable housing but now are forced to pay greater than 30 percent of their income for housing.

Since 2019, the City of Knoxville has preserved 412 units of affordable housing using federal HOME funds through the Rental Rehabilitation program.

### KEY PRIORITIES

1. Inventory and map NOAH Housing.
2. Preserve the affordability of existing occupied housing developments (greater than 5 units) by offering tax abatement and subsidies through the expansion of the affordable rental development program.
3. Utilize the Federal HOME program to protect older private apartment complexes.





## ADVANCE LAND USE POLICY

*Facilitate appropriate modifications to land use regulations to help meet housing needs and drive down the cost of development.*

### BACKGROUND

**Middle Housing** – The City of Knoxville and Planning staff have been collaborating on plans to eliminate barriers to the construction of middle housing, which includes townhomes, duplexes and other housing structures between the scales of single-family homes and mid-rise apartments. Middle housing is particularly well suited for walkable, bikeable neighborhoods with access to transit and neighborhood-servicing businesses.

As demographics and housing preferences shift both in Knoxville and across the country, middle housing can be a key component in neighborhoods offering diverse housing choices. Communities and organizations, including AARP, are realizing that middle housing is important in helping neighborhoods thrive while providing housing choices as people age and wish to stay in their neighborhood. This new zoning code will take effect in early 2024.

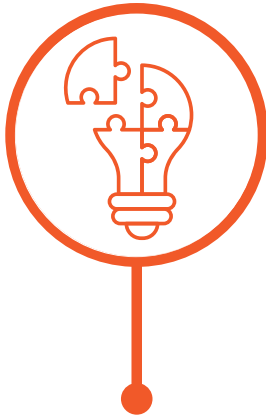
**Zoning Code Updates** – City and Planning staff work collaboratively to edit the living document of the zoning code. Through continuous review, the teams are consistently identifying opportunities to make zoning more clear and concise, more fluid for development, and updated to modern day standards. Additionally, as code is reviewed, seeking opportunities to encourage the development of housing in neighborhoods, along corridors, and throughout the city where housing makes good sense and fits with the surroundings.

**Development Services Enhancement** – As more people move to and want to invest in Knoxville, the need for support of development has grown exponentially. The City is investing significantly in the capacity of the plans review and inspections and engineering departments across technology, streamlined operations, people, and customer service to meet the needs of a growing community.

### KEY PRIORITIES

1. Identify opportunities to update zoning code.
2. Through zoning code updates, encourage the development of housing.
3. Provide continuous support to the development community through the development services team.





## REDEVELOPING VACANT AND BLIGHTED PROPERTIES

*Add to housing stock within the existing neighborhood framework.*

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### BACKGROUND

The City of Knoxville acquires blighted property to sell to individuals, for-profit, and non-profit developers to further the City's mission to remove blight, redevelop neighborhoods, and provide affordable housing opportunities.

Developers must propose to build new housing or rehabilitate the existing structure located on the parcel. The proposed reuse must comply with neighborhood zoning and the Knoxville – Knox County Planning Commission's In-Fill Housing Guidelines as well as the Housing & Neighborhood Development Department's Rehabilitation Standards (in the case of rehab). Lead Based Paint Regulations will apply for existing structures built prior to 1978. Local building codes will apply for both new construction and rehabilitation. Construction plans for properties on the National Register or zoned Historic under local overlay must be reviewed and approved by the Historic Zoning Commission.

Property will be transferred by deed with restrictive covenants, a reverter clause, or other mechanism that will enforce compliance with the terms, covenants and conditions required by the Homemakers Conditional Sales Agreement. Final approval of all purchases lies with City Council or Knoxville's Community Development Corporation's (KCDC) Board of Commissioners.

Through the City of Knoxville's Homemakers program, there have been 58 property transfers to individuals, non-profit, and for-profit developers. Of that total, 37 benefited low- and moderate-income residents.

### KEY PRIORITIES

1. Inventory vacant and blighted properties along commercial corridors.
2. Spur development and homeownership through acquisition and redevelopment.
3. Expand the Homemakers Program to cover non-residential lots.



# CONCLUSION

Knoxville's housing shortage is causing significant hardship for many in our community. It is an acute crisis, but one that can be resolved when we embrace equitable strategies that work. **Knoxville needs about 1,200 to 1,600 new housing units per year over the next five years** to accommodate the demand for housing. We must also ensure that

our housing supply meets the needs of people at all income levels. By working collaboratively with partners and community members, we can fix the housing crisis and be an **attainable, resilient Knoxville**.

