



# CITY OF KNOXVILLE

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

*Please note: In a special notice (see attached, NOTICE: CPD-16-18) to HUD grantees on December 15, 2016, the City of Knoxville was informed that Congress had not completed the appropriations process and that HUD was not able to predict when its FY2017 appropriations bill would be enacted and when it could announce FY2017 allocation amounts. HUD issued revised procedures for entitlement jurisdictions (of which the City of Knoxville is one) to follow in the completion of its PY2017 Action Plan. HUD advised that it will not execute a grant agreement with a grantee (City of Knoxville) until HUD has received a plan (or an amended plan) which incorporates the actual allocation amounts a grantee is to receive for that fiscal year. Further, the City must continue to meet citizen participation obligations that require a thirty-day public comment period on a draft of the Plan. Because the City of Knoxville has a July 1 start date for its program year, the normal 30-day public comment period on the draft plan begins mid-March, with a public hearing during that time, and a submission date of the final plan by May 15 to HUD. However, since HUD may not know its total allocation amounts (and consequently, the City will not know its allocation amounts) until sometime in April or even early May, this timeline becomes unworkable. HUD advised that a grantee may delay submission of its Action Plan until 60 days after the date allocations are announced, or until August 16, 2017 (whichever comes first). HUD further advised that grantees use a "Contingency Provision" for describing how it will allocate funds once actual funding amounts are made known. Please see section **AP-15 Expected Resources** for detail on how the City will estimate funding for PY2017-2018 activities.*

This is the second annual update to the Five Year Consolidated Plan that was completed by the City of Knoxville in May 2015. The Consolidated Plan, covering program years (PY) 2015 through 2019, involved an extensive community and public participation process with numerous public meetings and over 900 surveys received regarding community needs. The following is the Annual Action Plan update for Year Three, covering PY 2017-2018, that begins July 1, 2017.

Four community needs categories were identified through the Consolidated Planning process - Strengthening Neighborhoods, Promoting Economic Development, Reducing and Ending

Homelessness, and Promoting Affordable Housing. The emerging need in Year One to address the dearth of affordable rental housing has become the greatest priority.

It became apparent in late 2015, that the lack of sufficient affordable rental housing was becoming a significant concern. Consultation with both homeless service and affordable housing providers (including KCDC, the local public housing authority) during the preparation of the 2016-2017 Annual Action Plan, described the shortage of affordable rental housing for the lowest income households. At that time, it was being reported that KCDC had very low turnover (low vacancy rates) and that two to three formerly-affordable rental apartment communities were transitioning to higher rents, making them unaffordable to their tenants whose leases were expiring. KCDC also reported that some of their developments were also slated for improvements associated with Rental Assistance Demonstration (RAD) conversion, so vacant units would not be filled until work was completed. Agencies assisting those who were homeless with rapid re-housing funds (deposits, first month rent, etc.) were unable to locate enough housing that would be affordable long-term. As the rental market continued to get tighter and more competitive, rents increased and became unsustainable – especially for those who are at the lowest incomes - seniors, veterans, families with special needs, homeless youth and other households needing a one-bedroom rental unit. Substandard conditions in rental housing were also noted, as were landlords that appeared to take advantage of vulnerable renters. Subsequent follow up meetings of the “housing brain trust” (a subset of the Mayor’s Roundtable on Homelessness) on October 19, 2016 and December 20, 2016, as well as the larger meeting of the Mayor’s Roundtable on Homelessness that met on January 9, 2017, affirmed that these conditions have persisted. Research by the City, KCDC and the Knoxville-Knox County Community Action Committee (CAC) presented to the Knoxville News Sentinel (February 20, 2017, article attached) show the following facts: over 400 Section 8 apartments have been lost in the last year due to affordability periods expiring; only 40% of households with a Section 8 voucher are finding a unit to move into; there are over 1400 people on waiting lists for Section 8 vouchers; waiting lists for public housing units are also full, with 1-3 year wait times; public housing wait times for a single, non-disabled, non-elderly person can be five-plus years; renovations at four KCDC developments will take a further 878 units off-line for a time; renovations at another non-KCDC development will make another 199 units unavailable for leasing; average monthly rents have increased by \$33 over the past six months; and that more than one-third of renter occupied units are over 35 years old.

There are affordability/availability challenges at every point along the continuum of housing. Moderate-income renters (defined as 80% or less of AMI), who would be potential home-buyers, face rising housing values/prices (including rising interest rates) and a still-sluggish mortgage lending market. Even those of moderate-income struggle to save for down payment and closing costs for a median-priced house. Homeownership is out-of-reach for many lower income households (defined as 50% or less of AMI), when even finding rental housing that is affordable is becoming more and more difficult. Consultation with housing and social service providers, as well as data collected over the last year show that the demand for rental housing is far exceeding the supply, with the lowest income households bearing the brunt of

the affordable rental housing shortage. Lower-income households that are already homeowners, particularly the elderly/disabled on fixed incomes, single-parent families and other lower income families with a higher cost burden, also continue to have difficulty making necessary life/safety repairs on their homes.

These challenges are the basis for the focus of federal funding through the PY2017-2018 Annual Action Plan to increase both the supply and maintenance of the affordable housing stock, especially with regards to rental housing. This was discussed at the first public meeting on January 12, 2017. By placing a heavy emphasis on the availability and affordability of housing to both LMI renters and homeowners, this Action Plan also addresses homelessness and neighborhood stability. Neighborhoods are improved when substandard and blighted houses are rehabilitated. The City is also using local funds to support the Office of Neighborhoods, as well as the Problem Property Acquisition program that acquires blighted properties for housing redevelopment. Spending a more significant portion of funding on housing rehabilitation and construction of affordable housing (with Section 3 and Davis Bacon Act compliance) also creates and maintains jobs – promoting economic development. Jobs are created and retained directly through construction activities, and indirectly through the purchase of construction materials and supplies. Economic Development is addressed by the on-going Section 108 loan assisting in the creation of 61 full-time equivalent jobs through the renovation of the Farragut Hotel and through the proposal for workforce development/job training.

Housing affordability and availability challenges are certainly not unique to Knoxville. Nor are the difficulties of trying to meet the growing need with decreasing resources. Even before the recent (March 16, 2017) Trump Administration budget was presented to Congress calling for the elimination of CDBG and HOME programs, the direct allocation of funds from the U.S. Department of Housing and Urban Development (HUD) to the City of Knoxville has been decreasing. Since 2010: CDBG has been reduced by almost 35%; HOME Investment Partnership (HOME) by almost 47%; and the direct allocation of Emergency Solutions Grant (ESG) funds for homeless services was reduced to \$0 three years ago. The promise of a federal Affordable Housing Trust Fund, to provide states with resources to encourage more development of affordable rental housing for the lowest income households, is limited by funding as well. The cost benefit incentive of the Low Income Housing Tax Credit (LIHTC) to subsidize private development also appears to be decreasing.

Our challenge is to continue to meet the goals the City sets with community priorities with less federal funds each year. Having some unspent funds from previous years is helping to make up the difference with the reduction of federal funds, but this is a short term circumstance. The City is fortunate to have many partners in the community who do this important work, help many people, and spend funds effectively with impressive, measurable outcomes - and all with inadequate resources to meet the need. It is also important to note that federal dollars allocated to these community initiatives are rarely the only funds invested. The City strongly encourages local leverage on CDBG funded activities and requires matching dollars on activities that benefit the homeless and for HOME funded activities. These may be other public funds,

private contributions (through subrecipient organizations) or other local dollars. Leveraged and matched amounts are considered when the City makes funding decisions.

Two public meetings <will be> held in the development of the Year Three Action Plan, as well as multiple consultation meetings with key stakeholders in the priority area of housing and homelessness, two of four community needs identified through the Consolidated Planning process. The other community needs – neighborhoods and economic development – are more indirectly addressed through meeting affordable housing needs and through other City resources and programs. All comments from: the first public meeting held January 12, 2017; the 30-day public comment period, beginning April 10 through May 9, 2017; and the second public meeting <held on May 8, 2017, will be> located in the attachments section of this Plan.

## **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City of Knoxville, through its Consolidated Planning process, developed a list of high priority need areas for the allocation of CDBG and HOME funds for the five years of the Plan. These are: Strengthening Neighborhoods, Promoting Economic Development, Reducing and Ending Homelessness and Promoting Affordable Housing. These activities all overlap with the provision of affordable housing, either through rehabilitation (including weatherization and accessibility improvements) or new construction. For example, improving the existing housing stock improves neighborhoods, employs people who do the work, as well as helping people afford to stay in their homes.

HUD funds are being allocated in PY2017-2018 primarily to activities that help to keep housing affordable and available to low and moderate-income households. These activities include providing assistance along the affordable housing spectrum from rehabilitating existing housing to new construction and from owner occupied housing to rental housing. Housing rehabilitation may include major housing repairs (including reconstruction if the house cannot be repaired), emergency and minor home repairs, weatherization to lower utility costs, and accessibility improvements to avoid displacement. New construction of affordable rental housing is a priority, but some funds may be used for new construction of affordable homeowner housing. Construction activities create work and keep local people employed, not only in promoting economic development initiatives that maintain and create new local jobs, while assisting those who are disadvantaged to gain marketable job skills, begins to address underlying income disparities in the community. Providing housing and services to those with special vulnerabilities is also a high priority need for the City of Knoxville.

A small amount of HUD funds for PY2017-2018 will be used for public service activities and for maintenance of blighted properties.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Funds from the current program year 2016-2017 (that began July 1, 2016 and ends June 30, 2017) were allocated to activities that meet 2015-2019 Consolidated Plan high priority needs, with focus on assistance to rehabilitate and develop new affordable rental housing. Affordable housing programs funded under the current program year are making progress towards meeting both accomplishment and expenditure of funds goals. At about the current program year's midpoint, funds have been used to: rehabilitate 7 owner-occupied and 97 rental housing units; 3 CHDO-developed houses have been constructed; 5 home buyers have received down payment assistance in purchasing a CHDO-developed home; rehabilitation is currently underway on a public facility housing abandoned/neglected children; one class (10 students) has successfully completed workforce development training and another class is underway; property has been acquired for the development of 38 new units of affordable rental housing; 19 homeless service agencies have received HMIS assistance; 1 commercial façade activity is underway; and 9 non-profit organizations or owners of blighted properties have been assisted with design and technical assistance. Some activities, such as the Blighted Properties Acquisition program and Commercial Façade Improvements program, are receiving significant local City funding, leaving federal funds to be reallocated to priority affordable housing activities in PY2017-2018.

Although the Consolidated Plan and the priorities it sets covers five years, it's important to keep abreast of changes and emerging trends in the community that might impact needs and priorities. The City initiates consultation activities with partner agencies to stay informed of changes (such as the critical shortage of affordable rental housing) and conducts public hearings to keep citizens apprised of changes. These meetings are part of its Annual Action Plan process to make sure the Consolidated Plan, and its priorities, stay relevant.

### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The Five Year Consolidated Planning process included extensive community involvement and a formal public participation process. The top priority needs were grouped into four main areas: Strengthening Neighborhoods, Promoting Economic Development, Reducing and Ending Homelessness and Promoting Affordable Housing. Each year after the first year (PY2015) an Action Plan is completed with more recent information and input.

The public meeting and consultation meetings for the PY2016-2017 Annual Action Plan update were held with key stakeholders in the four priority areas as part of a public hearing in January

2016. The input received from neighborhood, business, housing and services provider-stakeholders confirmed that the needs identified not only still existed, but in some areas, such as affordable rental housing, the needs were becoming even more pronounced.

During the current program year (2016-2017), consultation with both homeless service and affordable housing providers (including KCDC, the local public housing authority) was on-going. Meetings of the “housing brain trust” (a subset of the Mayor’s Roundtable on Homelessness) met on October 19, 2016 and December 20, 2016, and the larger meeting of the Mayor’s Roundtable on Homelessness on January 9, 2017, detailed the shortage of affordable rental housing and its impact on both preventing homelessness and rapidly re-housing those who are homeless. Research by the City, KCDC and the Knoxville-Knox County Community Action Committee (CAC) presented to the Knoxville News Sentinel (see the February 20, 2017, article in the attachments section) confirmed these facts.

Citizens were invited to a public hearing on January 12, 2017, by public notices in community newspapers and the City’s website, by email and through the City’s Office of Neighborhood’s weekly newsletter. Over 35 people attended the public meeting, including several community residents, representatives from two neighborhood associations, representatives from the Boy Scouts of America (Bookwalter UMC), representatives from the Metropolitan Planning Commission, Knoxville Area Transit, and the Great Schools Partnership, and staff from several non-profit housing and service providers. Participants heard a summary of progress on meeting Consolidated Plan priorities and information about the need for focus on affordable rental housing. Please see the attachments section for a summary of the January 12, 2017, public meeting and comments from participants.

The draft plan was completed and available for a 30-day public comment period starting April 10, 2017.

<<During the thirty-day public comment period, xx comments were received. Please see the attachments section for these comments. A second public meeting was also held during the public comment period, on May 8, 2017, to discuss the draft plan. XX citizens attended that meeting and xx comments were gathered. Again, please see the attachments section for more detail.>>

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

During the January 12, 2017, public meeting, comments included: questions about how priorities are set; how the public could get a copy of the power point slide show used in the presentation; questions about eligibility of non-profits for the Homemaker’s program; when applications are taken for the Homemaker’s program; questions about the rental housing rehab

program and how landlords can learn more about it; and some personal comments about homeless services efficacy from a formerly homeless individual. A representative from the city's public transit system, Knoxville Area Transit, provided a statement on how housing developers and transit planners can partner to include public transit enhancements in development proposals to strengthen the whole community, but especially low income areas. See the attachments section for their full statement.

<<Public comments from public comment period include: >> . Please see, in the attachments section of this Plan, more detail from the public meetings and consultation meetings.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

There were no comments or views that were not accepted. One person, at the January 12, 2017 public meeting, shared their opinion with a city staff person about the effectiveness of some social services they received, though they were not specific about which agency provided services. They agreed to share, in writing, what they would want shared publicly. This was never received by the City.

## **7. Summary**

There is little change in the high priority need of Affordable Housing and Preventing and Ending Homelessness identified by the Consolidated Plan completed in May 2015. National trends show, and consultation feedback received over two years from our local partner agencies confirm, that affordable rental housing, especially for extremely low and very low income households, is becoming even more limited in Knoxville. Knoxville is seeing a marked change in the availability of affordable rental housing in recent years. Local examples abound. The affordability periods on former tax subsidized multi-family housing are expiring and the developments are being converted to market rate housing. Private multi-family rental housing, housing that had been affordable to the very lowest income families in the past, is being upgraded to attract university students with rents unaffordable to most current tenants. Programs receiving rapid re-housing and homelessness prevention funds for assisting the homeless and near-homeless face not only difficulty finding affordable units to move people into, but then then having to re-house people formerly housed because their unit has since become unaffordable to them.

The City of Knoxville Community Development Department will continue to prioritize affordable housing activities, especially the development/maintenance of affordable rental housing to the lowest income households (0-60% of AMI), with the use of CDBG and HOME funds. Keeping both owner-occupied and rental housing affordable and in good repair as well as constructing new affordable rental housing remain priority activities. This includes funding housing rehabilitation of both owner-occupied and rental housing to bring housing that is in disrepair up to City Code. Included in this category are: energy efficiency improvements, as they help to

keep housing affordable by lowering utility bills; accessibility improvements; and emergency and minor home repairs that help maintain the condition of the housing stock as well as preventing displacement of people.

A small amount of unspent, prior-year CDBG funds will be used for maintenance of blighted properties and some funds estimated from the 2017-2018 CDBG allocation will be used for two public service activities.

DRAFT

**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
Lead Agency	KNOXVILLE	
CDBG Administrator	KNOXVILLE	Community Development
HOPWA Administrator		
HOME Administrator	KNOXVILLE	Community Development
ESG Administrator	KNOXVILLE	Community Development
HOPWA-C Administrator		

**Table 1 – Responsible Agencies**

**Narrative (optional)**

The City of Knoxville Community Development Department receives Community Development Block Grant (CDBG) and HOME Investment Partnership grant funds currently. While the City's direct allocation of Emergency Solutions Grant (ESG) funds to assist the homeless was discontinued by the U.S. Department of Housing and Urban Development (HUD) beginning in PY2014, for the sake of public notice and comment, the draft 2016-2017 Annual Action Plan, the City will assume that it is being reinstated for the coming program year. If a direct allocation from HUD is not reinstated, it is anticipated that ESG funds from the State of Tennessee, through the Tennessee Housing Development Agency (THDA) will support the ESG activities referenced in this plan.

**Consolidated Plan Public Contact Information**

Linda Rust is the Community Development Administrator for the City of Knoxville and is the public contact for the Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER). She may be reached at 865.215.2357, LRust@knoxvilletn.gov, or at 400 Main Street, Room 515, Knoxville, TN 37902.

## **AP-10 Consultation – 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

Consultation meetings were on-going throughout the 2016-2017 program year through the Mayor's Roundtable on Homelessness.

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

Represented at the "housing brain trust" consultation meetings (a subset of the Mayor's Roundtable on Homelessness) on October 19, 2016 and December 20, 2016, were Knoxville's public housing provider (KCDC), assisted housing providers (including Helen Ross McNabb Center, HomeSource East Tennessee, East Tennessee Housing Development Corporation, Volunteer Ministry Center, and Knoxville Leadership Foundation), for profit housing lenders/providers (Hodges and Pratt Company and Bass, Berry and Sims PLC) and staff from the State of Tennessee and City of Knoxville.

Representatives at the January 9, 2017, meeting of the Mayor's Roundtable on Homelessness included private and governmental health, mental health and service agencies (Cherokee Health Services, Volunteers of America Veterans Services, Helen Ross McNabb Center, University of Tennessee College of Social Work/HMIS, United Way, Compassion Coalition, Knoxville-Knox County Community Action Committee, Knoxville Police Department). Multiple agencies provide both housing and services (such as Helen Ross McNabb Center, Knoxville Leadership Foundation, Knox Area Rescue Ministries, Family Promise, Volunteer Ministry Center, Catholic Charities, and YWCA) also participated in the consultation activities.

For a complete listing of participants and more detailed notes of the meetings of the Affordable Housing Roundtable (December 20, 2016) and Mayor's Roundtable on Homelessness (January 9, 2017) can be found in the attachments section.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

Knoxville's Consolidated Plan development and implementation is coordinated at a high level with the Knoxville-Knox County Continuum of Care (CoC). The CoC's planning and implementation process is coordinated by Knoxville Community Development staff on behalf of the Knoxville-Knox County Homeless Coalition, which operates as the designated CoC organization. The City of Knoxville, along with the CoC and other community partners has adopted a community *Plan to Address Homelessness*, which establishes strategies and priorities for addressing all homeless persons, including specific components for chronic homelessness,

families with children, veterans, and unaccompanied youth. This community plan is used to guide CoC efforts and is reflected in the priorities set forth in this Consolidated Plan.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

Knoxville has adopted a coordinated community-wide *Plan to Address Homelessness*, which guides strategies and priorities for the CoC, for policies and procedures for the administration of Knox HMIS, for setting priorities for the allocation of ESG resources, and for establishing priorities for addressing homelessness within this Consolidated Plan. The entire purpose of the community's adopted *Plan to Address Homelessness* is to coordinate all of the community's resources – public, private, philanthropic, and faith-based – around a single set of priorities and strategies geared to prevent, reduce and end homelessness in Knoxville. As such, the CoC, ESG, HMIS and this Consolidated Plan are all coordinated together around these shared priorities and goals.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities.**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	KNOXVILLE KNOX COUNTY COMMUNITY ACTION COMMITTEE
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Other government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Knoxville-Knox County Community Action Committee (CAC) staff participated in the January 9, 2017 consultation meeting and the public meeting on January 12, 2017.
2	<b>Agency/Group/Organization</b>	Catholic Charities of East Tennessee
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Catholic Charities staff attended the consultation meeting on January 9, 2017, and the public meeting on January 12, 2017.
3	<b>Agency/Group/Organization</b>	Compassion Coalition
	<b>Agency/Group/Organization Type</b>	Services-homeless Services-Health
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Compassion Coalition staff participated in the consultation meeting on January 9, 2017.
4	<b>Agency/Group/Organization</b>	EAST TENNESSEE HOUSING DEVELOPMENT CORPORATION
	<b>Agency/Group/Organization Type</b>	Housing Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	ETHDC attended the consultation meeting on December 20, 2016, and the public meeting on January 12, 2017.

5	<b>Agency/Group/Organization</b>	EAST TENNESSEE COMMUNITY DESIGN CENTER
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	ETCDC staff participated in the January 12, 2017 public meeting.
6	<b>Agency/Group/Organization</b>	KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	KCDC staff assisted with data and information on the public housing section. KCDC staff also participated in the January 9, 2017 consultation meeting.
7	<b>Agency/Group/Organization</b>	HomeSource ETN/KNOX HOUSING PARTNERSHIP, INC
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	HomeSource East Tennessee, formerly known as Knox Housing Partnership, staff participated in the October 19, 2016 consultation meeting and the January 12, 2017 public meeting.

8	<b>Agency/Group/Organization</b>	Helen Ross McNabb Center
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-homeless Services-Health Services - Victims Health Agency Child Welfare Agency Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Helen Ross McNabb staff participated in the October 19, 2016 and January 9, 2017, consultation meetings.
9	<b>Agency/Group/Organization</b>	Knoxville Leadership Foundation
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-Employment Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Knoxville Leadership Foundation and Neighborhood Housing, Inc. staff participated in the October 19, 2016, December 20, 2016, and January 9, 2017, consultation meetings and the January 12, 2017, public meeting.

10	<b>Agency/Group/Organization</b>	VOLUNTEER MINISTRY CENTER
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Persons with Disabilities Services-homeless Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	VMC staff participated staff participated in the October 19, 2016, December 20, 2016, and January 9, 2017, consultation meetings and the January 12, 2017 public meeting.
11	<b>Agency/Group/Organization</b>	Volunteers of America
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services - Victims Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	VOA staff participated in the January 9, 2017 consultation meeting.
12	<b>Agency/Group/Organization</b>	University of Tennessee/Knox HMIS
	<b>Agency/Group/Organization Type</b>	Other government - State Major Employer
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	UT's HMIS staff participated in the January 9, 2017 consultation.
13	<b>Agency/Group/Organization</b>	Knoxville Knox County Metropolitan Planning Commission
	<b>Agency/Group/Organization Type</b>	Other government - Local Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	MPC staff contributes data, maps, and participated in the January 12, 2017 public meeting.
14	<b>Agency/Group/Organization</b>	State of Tennessee
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	State of Tennessee staff attended the December 20, 2016 consultation meeting.

**Identify any Agency Types not consulted and provide rationale for not consulting**

There were not any agencies or organizations excluded from the consultation process.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	City of Knoxville	Knoxville's Consolidated Plan development and implementation is coordinated at a high level with the Knoxville-Knox County Continuum of Care (CoC). The CoC's planning and implementation process is coordinated by Knoxville Community Development staff on behalf of the Knoxville-Knox County Homeless Coalition, which operates as the designated CoC organization. The City of Knoxville, along with the CoC and other community partners has adopted a community Plan to Address Homelessness, which establishes strategies and priorities for addressing all homeless persons, including specific components for chronic homelessness, families with children, veterans, and unaccompanied youth. This community plan is used to guide CoC efforts and is reflected in the priorities set forth in this Consolidated Plan.

**Table 3 – Other local / regional / federal planning efforts**

**Narrative (optional)**

The City of Knoxville will continue to partner with other public entities, such as the Knoxville Knox County Community Action Committee, the Metropolitan Planning Commission, Transportation Planning Organization, Knox County, and the State of Tennessee in the implementation of the Consolidated Plan.

## AP-12 Participation – 91.105, 91.200(c)

### 1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

During the Consolidated Planning process, the City of Knoxville reached out in new ways to broaden citizen participation. Taking advantage of technologies such as the use of the internet for online surveys, social media for better outreach, polling/touch pad software for group meetings, were some of the methods identified and utilized. Staff also wanted to better engage “difficult to reach” populations – the very low income, those who are homeless/formerly homeless, refugees, and other minority populations. The strategies chosen included: a community needs online survey (in English and Spanish); three public hearings/meetings (one at each stage in the development of the Plan); five focus group meetings on key community development issues (affordable housing, the needs of senior citizens, equity issues, the needs of Hispanic/Latinos, and public housing); polling meetings with targeted populations (public housing residents’ association, refugees, homeless/formerly homeless residents, and two senior citizen companion groups); and questionnaires to community agencies (workforce/job training, the needs of African Americans, refugees, the arts, the needs of veterans, the needs of those with disabilities, domestic violence, the United Way, mental health/substance abuse, and youth issues).

The City's Community Development staff held a public meeting on January 12, 2017. Citizens were invited to the meeting by public notices in community newspapers and the City’s website, by email and through the City’s Office of Neighborhood’s weekly newsletter. Over 35 people, including citizens, neighborhood leaders/representatives, housing developers, non-profit organizations and service providers, the Metropolitan Planning Commission, Knoxville Area Transit, Great Schools Partnership, members of the press, and staff from various city departments were in attendance. Please see, in the attachments section of this Plan, a summary of the public meeting for more detail.

The draft plan was completed and available for a thirty-day public comment period on April 10, 2017.

<<Invitations to the second public meeting held on May 8, 2017, and to review the draft were published on the City’s website, in the newspaper, and through the Office of Neighborhoods weekly newsletter. During the public comment period, xx comments were received: . Please see the attachments section for these comments. The second public meeting was held during the public comment period, on May 8, 2017, to discuss the draft Plan. Xx citizens attended this meeting and comments were received (see attachments).>>

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Hearing	Minorities  Non-English Speaking - Specify other language: Spanish  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing  Neighborhood Organization leaders	Thirty-six people attended the Public Meeting on January 12, 2017.	Please see the attachment section for a summary.	There were no comments that were not accepted.	
2	Newspaper Ad	Non-targeted/broad community	Public Notice in the Knoxville News Sentinel newspaper on December 17, 2016.	There were no comments received from this outreach.	NA	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Internet Outreach	Non-English Speaking - Specify other language: Spanish	Notice in Mundo Hispano.	No specific comments were received.	NA	
4	Internet Outreach	Office of Neighborhood's Newsletter	Invitation to those involved in neighborhood organizations to participate in the public meeting.	No specific comments were received.	NA	
5	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	<<xx people attended the Public Meeting held on May 8, 2017.>>	See attachment section for a full detail of comments received.	NA	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
6	Newspaper Ad	Non-targeted/broad community	Public Notice in the Knoxville News Sentinel newspaper on April 8, 2017, letting the public know about the release of the draft Annual Action Plan and how to comment,		NA	
7	Internet Outreach	Non-English Speaking - Specify other language: Spanish	Notice in the Spanish language online newspaper, Mundo Hispano, on April 8, 2017, letting the public know about the release of the draft Annual Action Plan and how to comment.		NA	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
8	Internet Outreach	Non-targeted/broad community  Neighborhood leaders and others	Office of neighborhood's Newsletter - a weekly newsletter delivered by email and regular mail to neighborhood organization members, leaders, etc. - inviting them to comment /review the draft Annual Action Plan.		NA	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

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

#### Introduction

As of the date of the release of this draft Annual Action Plan, the City does not know its actual CDBG, HOME or ESG allocation amounts from HUD for the 2017-2018 program year (beginning July 1, 2017). The City is following HUD's advice (see attached NOTICE: CPD-16-18) from December 15, 2016, to conduct its citizen participation on the draft 2017-2018 Action Plan using estimated funding amounts.

The "Contingency Provision" the City is using in this draft plan is to express the budget in terms of percentages of the allocation to be budgeted to each planned activity, along with the City's current estimate of how many dollars equates to each activity. Once actual allocation amounts are announced by HUD, the City will follow the percentages used in this draft plan from the total actual allocation of CDBG, HOME and ESG amounts. Actual amounts will be reflected in the final Annual Action Plan submitted to HUD.

The City is basing its current CDBG and HOME estimate on the assumption of level funding from the current year, PY2016-2017 for CDBG as \$1,324,336 and HOME as \$740,015. Program income anticipated to be received during the 2017-2018 program year is also an estimate, at \$150,000 for CDBG and \$370,827 for HOME. The funds that are not anticipated to be spent in the current PY2016-2017 can also be budgeted for the coming program year (\$431,200 for CDBG and \$306,709 for HOME) and are included in the total budget. Accomplishment goals are based on the estimates from the total budgeted amount for each activity.

The City is basing its current ESG estimates on an assumption that HUD would fund the City the same amount that the State of Tennessee, through THDA, has funded the City \$161,250 in the current program year. The City has received notice that the State plans to set aside ESG funds for PY2017-2018 year as well, if the direct allocation of ESG to the City from HUD is not reinstated.

**Priority Table**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				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	Estimated at \$1,324,336	\$150,000	\$431,199	Estimated at \$1,905,535	unknown	See Contingency Provision for more detail
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	Estimated at \$740,015	\$370,827	\$306,709	Estimated at \$1,417,551	unknown	See Contingency Provision for more detail

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				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	Estimated at \$161,250	0	0	Estimated at \$161,250	unknown	While the City does not expect its ESG allocation to be reinstated in PY2017-2018, we are including a contingency plan if it does. See Contingency Provision for more detail

**Table 5 - 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**

The City of Knoxville utilizes local funds to support activities to address the four priority areas identified during the Consolidated Planning process. 1. Strengthening Neighborhoods: the City funds the City Office of Neighborhoods (\$245,000 estimated for PY2017-2018); the acquisition and stabilization of blighted/abandoned/chronic problem properties available for the Homemaker’s program (\$600,000 estimated for PY2017-2018); Community Schools (\$250,000 estimated for PY2017-2018); 2. Promoting Economic Development: the City supports the Commercial Façade Improvement program (\$750,000 estimated for PY2017-2018), among other programs assisting small and minority-owned businesses in the city; 3. Reducing and Ending Homelessness: the City supports the City Office on Homelessness and grants to agencies that assist the homeless (estimated to be \$460,250 for PY2017-2018). 4. Promoting Affordable Housing: the City funds the Affordable Housing Trust Fund with the East Tennessee Foundation with local funds (\$323,000 estimated for PY2017-2018) and is funding the local public housing authority, KCDC, with \$3,000,000 currently (\$8,000,000 over ten years) to support

infrastructure in the Five Points neighborhood housing revitalization plan.

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 the PY2015-2019 Consolidated Plan, the City discussed the plan that was underway for the redevelopment of properties it has acquired in the Lonsdale neighborhood into a 'Model Block' of new affordable owner-occupied housing. However, given the challenges that many homebuyers (especially impacting low and moderate-income households) are having with purchasing their own homes (credit, lending rates, etc.), that plan has been tabled. Although additional rental housing development is needed, the addition of affordable rental housing to the Lonsdale neighborhood would over-concentrate low-income housing in a low-income census tract. Consultation at a public meeting with Lonsdale residents in August, 2016 focused on community needs. This information from the meeting will guide the City in formulating appropriate development of the property.

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

**Discussion**

Program income and unspent, prior-year funds for both the CDBG and HOME programs will help to offset expected CDBG 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.

er	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicators
	Blighted Property Maintenance	2015	2019	Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods	CDBG: Approx. \$13,200 in prior year funds	Housing Code Enforcement/Foreclosure Property Care: 85
	Public Service Activity: Design and Technical Assistance	2015	2019	Non-Housing Community Development	City of Knoxville	Strengthen Neighborhoods Promote Economic Development	CDBG: About 3% (estimated to be \$45,000) of the PY2017 Allocation amount	Other: 13 Other
	Public Service Activity: Workforce Development	2016	2019	Non-Housing Community Development	City of Knoxville	Promote Economic Development	CDBG: About 8% (estimated to be \$111,586) of the PY2017 Allocation amount	Other: 20 Other
	Owner Occupied Housing Rehabilitation	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	CDBG: Approx. \$147,656 in prior year funds and < 1% (estimated to be \$6,629) of the PY2017 Allocation amount HOME: Approx. \$195,000 in estimated HOME program income	Homeowner Housing Rehabilitated: 6 Household Housing Units
	Emergency Home Repair	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods	CDBG: About	Homeowner Housing Rehabilitated: 64

					Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	26% (estimated to be \$350,000) of the PY2017 Allocation amount	Household Housing Units
Minor Home Repair	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	CDBG: About 10% (estimated to be \$127,495) of the PY2017 Allocation amount	Rental units rehabilitated: 6 Household Housing  Homeowner Housing Rehabilitated: 43 Household Housing
Weatherization/Energy Efficiency Improvements	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	CDBG: About 4% (estimated to be \$50,000) of the PY2017 Allocation amount and approx. \$150,000 in estimated CDBG program income	Rental units rehabilitated: 45 Household Housing Homeowner Housing Rehabilitated: 15 Household Housing
Rental Housing Rehabilitation and Development	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Reduce and	CDBG: About 26% (estimated to be \$338,759)	Rental units rehabilitated: 172 Household Housing

					End Homelessness Promote Affordable Housing	of the PY2017 Allocation amount and about \$200,000 of prior year CDBG funds HOME: About 75% (estimated at \$555,010) of the PY2017 Allocation amount and approx. \$111,004 in prior year funds and \$33,987 in estimated program income funds	
CHDOs - New Affordable Housing Construction	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Economic Development Reduce and End Homelessness Promote Affordable Housing	HOME: > 15% (\$111,004) of the PY2017 Allocation amount and about \$188,996 in prior year HOME funds	Rental and/or home owner units constructed: 10 Household Housing

Down payment and Closing Cost Assistance	2015	2019	Affordable Housing	City of Knoxville	Strengthen Neighborhoods Promote Affordable Housing	HOME: Approx. \$6,709 in prior year funds and approx. \$104,758 in estimated HOME program income funds	Direct Financial Assistance to Homebuyers: 7 Households Assisted
Rapid Re-housing Services	2017	2019	Homelessness	City of Knoxville	Prevent and End Homelessness	ESG: about 55% (estimated at \$90,000) of the 2017 ESG Allocation	Other: 135 households
Homelessness Prevention and Emergency Services	2017	2019	Homelessness	City of Knoxville	Prevent and End Homelessness	ESG: about 18.75% (estimated to be \$30,000) of the 2017 ESG Allocation	Other: 38 households
Emergency Services – Dental Care	2017	2019	Homelessness	City of Knoxville	Prevent and End Homelessness	ESG: about 18.75% (estimated to be \$30,000) of the 2017 ESG Allocation	Other: 30 individuals
Administration	2015	2019	Program Administration	City of Knoxville	Strengthen Neighborhoods Promote Economic	CDBG: up to 20% (estimated to be	Other: 1 Other

					Development Reduce and End Homelessness Promote Affordable Housing	\$264,867) of the 2017 CDBG Allocation, plus up to 20% of estimated program income (estimated to be \$30,000) HOME: Up to 10% (estimated to be \$74,001) of the 2017 HOME Allocation and about 10% (estimated to be about \$37,082) in estimated HOME program income ESG: 7.5% (estimated to be \$11,250) of the 2017 ESG Allocation
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## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

As of the date of this draft, the City of Knoxville has not been notified by the U.S. Department of Housing and Urban Development of its PY2017-2018 CDBG and HOME allocation amounts. The City has also not received any information about a possible reinstatement of a direct allocation of Emergency Solutions Grant (ESG) funds. As part of its “Contingency Provisions” the City is using “percentages of the allocation to be budgeted to each planned activity, along with our current estimate of how many dollars equate for each activity.” (HUD NOTICE: CPD-16-18). The City is assuming level funding from the current year, PY2016-2017 for CDBG, HOME and ESG (through the State of Tennessee). Accomplishment goals are based on the estimates from the total budgeted amount for each activity (including the estimated 2017 Allocation, unspent prior-year funds and estimated program income). Below is a breakdown of the various funding sources by category and activity.

<b>Category:</b> Activity	Total Funds Available (% of total funds)	<b>2017 CDBG Allocation</b> (% of Allocation)	<b>2017 HOME Allocation</b> (% of Allocation)	<b>2017 ESG Allocation</b> (% of Allocation)	Other - Program Income & Prior Year
<b>Total</b>	<b>\$3,484,336</b>	<b>\$1,324,336</b>	<b>\$740,015</b>	<b>\$161,250</b>	<b>\$1,258,735</b>
<b>Affordable Housing:</b>	<b>\$2,747,350</b> (79%)	<b>\$872,883</b> (66%)	<b>\$666,014</b> (90%)		
Rental Housing Development/ Rehab	\$1,404,759	\$354,759 (27%)	\$555,010 (75%)		\$494,990
Owner-occupied Development	\$300,000		\$111,004 (15%)		\$188,996
Owner Rehab	\$931,124	\$518,124 (39%)			\$413,000
Down payment Assistance	\$111,467				\$111,467
<b>Public Service Activities:</b>	<b>\$156,586</b> (4.5%)	<b>\$156,586</b> (12%)			
Workforce Development	\$111,586	\$111,586 (9%)			
Design and TA	\$45,000	\$45,000 (3%)			
<b>Homelessness:</b>	<b>\$150,000</b> (4%)			<b>\$150,000</b> (92.5%)	
Rapid Re-housing	\$90,000			\$90,000 (55%)	

Prevention	\$30,000			\$30,000 (18.75%)	
Services	\$30,000			\$30,000 (18.75%)	
<b>Blighted Property Maintenance:</b>	<b>\$13,200</b> ( <b>&lt;1%</b> )				\$13,200
<b>Administration:</b>	<b>\$417,200</b> ( <b>12%</b> )	\$264,867 ( <b>20%</b> ) + 20% PI = \$30,000 ( <b>2%</b> )	\$74,001 ( <b>10%</b> )	\$11,250 ( <b>7.5%</b> )	\$67,082

### PY2017 CDBG Estimated Allocation

The following are the allocation percentages and amounts based on the estimated PY2017 CDBG allocation of \$1,324,336, approximately: 66% (\$872,883) is allocated for affordable housing activities; 12% (\$156,586) for public service activities; and 20% for administration (plus 20% of estimated CDBG program income (2%)). Where unspent prior year CDBG funds and/or estimated CDBG program income funds are being budgeted for activities, it will be noted.

Owner-occupied rehabilitation (including major housing rehabilitation, emergency and minor home repairs, weatherization/energy efficiency improvements, accessibility modifications and project delivery costs) accounts for the largest percentage (39% or \$518,124) of the estimated 2017 CDBG allocation. The City of Knoxville will fund the Knoxville-Knox County Community Action Committee (CAC) with: 26% (\$350,000) of its estimated 2017 CDBG allocation to assist 64 homeowners with emergency home repairs and about 4% (\$50,000) to assist 15 homeowners with weatherization/energy efficiency improvements. The City will also fund Knoxville Leadership Foundation's Neighborhood Housing Inc., (NHI) with: about 7% (\$95,495) of its estimated CDBG allocation to provide minor home repairs to 37 homeowners and about 1% (\$16,000) to provide accessibility improvements to 6 homeowners. The remaining amount (<1% or \$6,629) is for project delivery costs. The City will also use unspent prior year CDBG funds on project delivery (\$147,656) and to support its Owner-occupied Housing Rehabilitation program (\$70,343).

Rental rehabilitation (including major housing rehabilitation, weatherization/energy efficiency improvements, accessibility improvements, and project delivery costs) accounts for 27% (\$354,759) of the estimated 2017 CDBG allocation. The City of Knoxville, through its Rental Housing Rehabilitation program, will use about 8% (\$107,331) to complete major rental rehabilitation on 5 units. The City will fund Knoxville Leadership Foundation's Neighborhood Housing Inc., (NHI) with about 1% (\$16,000) for accessibility improvements for 6 rental units. The remaining amount (18% or \$231,427) is for project delivery costs. The City of Knoxville will also fund the Knoxville-Knox County Community Action Committee (CAC) with about \$150,000, from estimated CDBG program income, for weatherization/energy efficiency improvements on 45 rental units.

The City will use about 12% (\$156,586) of its estimated 2017 CDBG allocation for public service activities. HUD allows up to 15% of CDBG to be used for public service activities. The City will fund Neighborhood Housing, Inc. (NHI) Workforce Development program with about 9% (\$111,586) to support approximately 20 adult students (ages 18-29) in a 16 week job training program (in construction or another a credentialed/certification program) that provides certification and job placement, as well as job experience and life skills training. This program is part of a critical support strategy for young adult career engagement and workforce development that seeks to alter the life course of adults living in Census Tracts that put them at risk of repeat recidivism, academic failure, and long term unemployment. The City will use about 3% (\$45,000) of its estimated 2017 CDBG Allocation to fund a public service activity with the East Tennessee Community Design Center to provide design and technical assistance to 13 organizations/agencies or others who are working to alleviate blighted conditions in LMA neighborhoods or commercial areas.

The remaining portion of the estimated 2017 CDBG allocation will be used for program administration. HUD allows up to 20% of the annual CDBG allocation (up to \$264,867) and up to 20% of CDBG program income (up to 20% of estimated \$150,000 = \$30,000) to be used for general administration.

The City will use the remainder of its unspent prior year CDBG funds for: rehabilitation and/or development of affordable rental housing units (\$200,000) and for the maintenance of 85 blighted properties in low/mod income neighborhoods (approximately \$13,200).

#### PY2017 HOME Estimated Allocation

Unlike CDBG, HOME funds are restricted for affordable housing activities only. The following are the allocation percentages and amounts based on the estimated PY2017 HOME allocation of \$740,015, approximately: 75% (\$555,010) is allocated for the rehabilitation and/or development of affordable rental housing; 15% (\$111,004) for Community Housing Development Organization (CHDO) developed affordable housing; and 10% (\$74,001) for administration. Up to 10% of PY2017 HOME funds may be used for administration, plus up to 10% of HOME program income may also be used for program administration (an additional \$37,082). Where unspent prior year HOME funds and/or estimated HOME program income funds are being budgeted for activities, it will be noted.

The City of Knoxville, using HOME funds (estimated 2017 HOME allocation of 75% or \$555,010, approximately \$111,004 in unspent prior-year HOME funds and \$33,987 in estimated HOME program income, for a total of \$700,000 in HOME funds) for the rehabilitation and/or development of approximately 172 units of affordable rental housing.

HOME regulations require that at least 15% of the 2017 HOME allocation be set-aside for CHDOs to develop affordable housing. The City estimates spending the required 15% of the estimated 2017 HOME allocation (about \$111,004) plus an additional \$188,996 in unspent

prior-year HOME funds, for a total of \$300,000 to complete 10 units of affordable housing. Unspent prior-year HOME funds (\$6,709) plus estimated HOME program income (\$104,758) will fund the City's Down Payment Assistance program, for a total of approximately \$111,467, to assist about 7 homebuyers in purchasing CHDO-developed housing.

The remaining unspent prior year HOME funds (\$195,000) will fund the City's Owner-occupied Housing Rehabilitation program that will assist 6 homeowners with major housing rehabilitation.

PY2017 ESG Estimated Allocation

The following are the allocation percentages and amounts based on the estimated PY2017 ESG (if it is reinstated to Knoxville) allocation of \$161,250, approximately: 92.5% (\$150,000) is allocated for homeless service activities and 7.5% (\$11,250) for administration. There are no prior-year unspent ESG funds, nor estimated ESG program income.

The City of Knoxville will fund about 55% (\$90,000) of its estimated PY2017 ESG allocation to the Knoxville-Knox County Community Action Committee (CAC) to support the Homeward Bound program's rapid re-housing activities. CAC will provide housing stabilization services and relocation assistance to approximately 135 homeless households.

The City will also fund the Volunteer Ministry Center with approximately 37.5% (\$60,000) of its estimated 2017 ESG allocation for two different programs: \$30,000 for homeless prevention and supportive services to about 38 homeless households at The Refuge and \$30,000 for comprehensive dental services (emergency shelter service) to about 30 individuals at the VMC Dental Clinic.

The remaining estimated 2017 ESG allocation is budgeted for administration (up to 7.5% or \$11,250).

**Table 6 – Goals Summary**

**Goal Descriptions**

<b>1</b>	<b>Goal Name</b>	Blighted Property Maintenance
	<b>Goal Description</b>	To improve and promote quality of life in neighborhoods, the City of Knoxville will use approx. <b>\$13,200</b> in prior year CDBG funds to fund the maintenance of <b>85</b> blighted and abandoned lots properties to mitigate the negative impact of blighted properties in LM areas.

2	<b>Goal Name</b>	Public Service Activity: Design and Technical Assistance
	<b>Goal Description</b>	To strengthen, as well as promote economic development, in neighborhoods the City of Knoxville will assist the <b>East Tennessee Community Design Center</b> with about <b>3%</b> (estimated at \$45,000) of its estimated 2017 CDBG Allocation to fund planning and design technical assistance to approximately <b>13</b> organizations and others (such as owners of blighted properties) focused on neighborhood stabilization projects.
3	<b>Goal Name</b>	Public Service Activity: Workforce Development
	<b>Goal Description</b>	To strengthen quality of life in certain census tracts in neighborhoods and promote economic development of at-risk adults (18-29 years old) residing in those areas, the City of Knoxville intends to use about <b>8%</b> (about \$111,586) of its estimated 2017 CDBG Allocation to assist <b>Knoxville Leadership Foundation’s Neighborhood Housing, Inc. (NHI)</b> . Approximately <b>20</b> individuals will receive construction (or other credentialed/certified) job training in a 16-week program that provides certification and job placement, as well as job experience and life skills training for disadvantaged adults. This program is part of a critical support strategy for career engagement and workforce development that seeks to alter the life course of adults living in Census Tracts that put them at risk of repeat recidivism, academic failure, and long term unemployment.
4	<b>Goal Name</b>	Owner Occupied Housing Rehabilitation
	<b>Goal Description</b>	To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville uses CDBG and HOME funds 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.  The City of Knoxville will use about <b>\$147,656</b> in prior year CDBG funds and <b>&lt;1%</b> (estimated to be \$6,629) of its estimated PY2017 CDBG Allocation amount and approx. <b>\$195,000</b> in estimated HOME program income funds for the operation of the Owner-occupied Housing Rehabilitation program that will benefit approximately <b>6</b> LMI homeowners who need 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.

5	<b>Goal Name</b>	Emergency Home Repair
	<b>Goal Description</b>	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 use about <b>26%</b> (estimated to be \$350,000) of its estimated 2017 CDBG Allocation funds to assist the <b>Knoxville-Knox County Community Action Committee (CAC)</b> to complete emergency/minor home repairs in an estimated <b>64</b> LMI owner-occupied homes, using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.
6	<b>Goal Name</b>	Minor Home Repair
	<b>Goal Description</b>	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 use about <b>10%</b> (estimated at \$127,495) of its estimated 2017 CDBG Allocation funds to assist the <b>Knoxville Leadership Foundation's Neighborhood Housing, Inc. (NHI)</b> to complete minor home repairs on <b>49</b> LMI homes (37 homeowners and with minor home repairs (mostly exterior) and 6 homeowners and 6 renter households with accessibility modifications), using Section 3 businesses/contractors and subcontractors to the maximum extent feasible. NHI uses volunteers mostly to assist with labor through their Operation Back Yard program.
7	<b>Goal Name</b>	Weatherization/Energy Efficiency Improvements
	<b>Goal Description</b>	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 use about <b>4%</b> (estimated to be \$50,000) of its estimated 2017 CDBG Allocation funds and approximately <b>\$150,000</b> in CDBG program income funds to assist the <b>Knoxville Knox County Community Action Committee (CAC)</b> to complete energy efficiency improvements/weatherization improvements to <b>60</b> homeowner and renter-occupied LMI households (about 15 homeowners and 45 renter households with energy efficiency, health and safety related improvements) using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.

<b>8</b>	<b>Goal Name</b>	Rental Housing Rehabilitation and Development
	<b>Goal Description</b>	To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City will use about <b>26%</b> (about \$338,759) of its estimated 2017 CDBG Allocation funds and about <b>\$200,000</b> of prior year CDBG funds and about <b>75%</b> (estimated to be \$555,010) of its estimated 2017 HOME Allocation, approx. <b>\$111,004</b> in prior year HOME funds and approx. <b>\$33,987</b> in estimated HOME program income to fund the major rehabilitation and development of <b>172</b> affordable rental housing 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 rental housing project delivery costs. The City will continue to require the maximum energy efficiency, with a minimum of Energy Star certification.
<b>9</b>	<b>Goal Name</b>	CHDOs - New Affordable Housing Construction
	<b>Goal Description</b>	To promote affordable housing, improve and promote quality of life in neighborhoods, and promote economic development, the City of Knoxville will fund locally designated Community Housing Development Organizations (CHDOs) with <b>&gt;15%</b> (estimated at \$111,004) of its estimated 2017 HOME Allocation and about <b>\$188,996</b> in prior year HOME funds to construct <b>10</b> new affordable homes for LMI households. Lease-purchase will also be an eligible activity. 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.
<b>10</b>	<b>Goal Name</b>	Down Payment Assistance
	<b>Goal Description</b>	To promote affordable housing and improve and promote quality of life in neighborhoods, the City of Knoxville will use about <b>\$6,709</b> in prior year HOME funds and approx. <b>\$104,758</b> in estimated HOME program income funds to assist <b>7</b> LMI homebuyers of CHDO-developed housing with Down Payment and closing cost assistance.

<b>11</b>	<b>Goal Name</b> <b>Goal Description</b>	Rapid Re-housing Services To prevent and end homelessness, the City of Knoxville will use about 55% (\$90,000) of its estimated 2017 ESG Allocation to fund the Knoxville-Knox County CAC Homeward Bound program to provide rapid re-housing services to 135 homeless households.
<b>12</b>	<b>Goal Name</b> <b>Goal Description</b>	Emergency Services To prevent and end homelessness, the City of Knoxville will use about 18.75% (\$30,000) of its estimated 2017 ESG Allocation to fund the Volunteer Ministry Center to provide homelessness prevention services to 38 precariously-housed households.
<b>13</b>	<b>Goal Name</b> <b>Goal Description</b>	Emergency Services To prevent and end homelessness, the City of Knoxville will use about 18.75% (\$30,000) of its estimated 2017 ESG Allocation to fund the Volunteer Ministry Center to provide emergency services/dental care to 30 homeless individuals.
<b>14</b>	<b>Goal Name</b> <b>Goal Description</b>	Administration The City of Knoxville is allowed to spend up to <b>20%</b> (estimated to be \$264,867) of its estimated 2017 CDBG Allocation (and up to 20% of its CDBG Program Income - \$30,000) for CDBG administration expenses. Likewise, the City is allowed to spend up to <b>10%</b> (estimated to be \$74,001) of its 2017 HOME Allocation (and up to 10% of its estimated HOME program income - \$37,082) on HOME administration expenses. And, if a direct allocation of ESG is reinstated in PY2017, the City plans to spend up to <b>7.5%</b> (estimated at \$11,250) of its ESG on ESG administration expenses.

**Table 7 – Goal Descriptions**

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):**

The City, in partnership with its subrecipients, intends to use its total CDBG and HOME funds (which includes its estimated 2017 HUD Allocations of CDBG and HOME funds, estimated program income to be collected during the program year, and any remaining unspent prior year funds) to provide affordable housing assistance to an estimated 361 households: 223 renter households and 138 owner-occupied households.

Of the estimated 223 renter households assisted, approximately 172 households will receive either rehabilitation and/or a new affordable rental unit through development activities (of which 20%, approx. 39 units, will be set aside for households within 0-50% AMI and 80%, about 133 units, will be set aside for households within 0-60% AMI. About 45 rental households (22 households expected to be at 0-30% AMI/extremely low income, 14 households at 30-50% AMI/very low income, and 9 units at 50-80% AMI/low-moderate income) will receive

weatherization/energy efficiency improvements; about 6 rental households will receive accessibility modifications (3 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income).

Of the estimated 138 (unduplicated\*) owner-occupied households: about 64 households will receive emergency home repairs (32 households expected to be at 0-30% AMI/extremely low income, 19 households at 30-50% AMI/very low income, and 13 households at 50-80% AMI/low-moderate income); about 37 households will receive minor home repairs (13 households expected to be at 0-30% AMI/extremely low income, 13 households at 30-50% AMI/very low income, and 11 households at 50-80% AMI/low-moderate income); about 15 households will receive weatherization/energy efficiency improvements (7 households at 0-30% AMI/extremely low income, 5 households at 30-50% AMI/very low income, and 3 households at 50-80% AMI/low-moderate income); about 6 households will receive accessibility improvements (3 households expected to be at 0-30% AMI/extremely low income, 2 households at 30-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income); about 6 households will receive major housing rehabilitation assistance (expected to be 3 households at 50-80% AMI/low-mod income, 2 households at 30-50% AMI/very low income, and 1 household at 0-30% AMI/extremely low income); about 10 new houses will be constructed by CHDOs with HOME funds (expected to be 7 households at 50-80% AMI/low-mod income and 3 households at 30-50% AMI/very low income); and 7 home-buyers of CHDO-developed houses will receive down payment assistance (expected to be 5 households at 50-80% AMI/low-mod income and 2 households at 30-50% AMI/very low income). \*These 7 households receive two forms of assistance – they're buying a CHDO-developed house with down payment assistance.

Although they will not be served with affordable housing services as described above, it is important to note that anticipated ESG funds will be used to benefit an estimated 135 homeless households with rapid re-housing services; about 38 precariously-housed households with homelessness prevention and stabilization services; and about 30 homeless individuals with emergency shelter services/dental care. Homeless persons are considered a “presumed benefit” group and their income level is 0-30% AMI/extremely low income.

## AP-35 Projects – 91.220(d)

### Introduction

<<This section will have a table of final projects/activities (discussed in previous sections) that will be generated once they are set up in HUD's IDIS system.>>

### Table 8 – Project Information

<<To be included in the final Annual Action Plan submitted to HUD electronically in the IDIS system.>>

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

While the Consolidated Planning process in late 2014 identified four main priority areas for allocating CDBG and HOME funds – Strengthening Neighborhoods, Promoting Economic Development, Reducing and Ending Homelessness and Promoting Affordable Housing – it became apparent through consultation with housing and homeless service providers during the past year that affordable rental housing, especially for the lowest income and smaller-sized households is the most urgent need.

To that end, the City is allocating almost 90% of its total estimated HUD CDBG and HOME funds for the program year to affordable housing activities, with almost 30% allocated for the construction of 167 new units of affordable rental housing. Twenty per cent (34 units) of the new rental units will be available to households considered by HUD to be extremely low income to very low income (0-50% AMI) and the other 80% (133 units) available to those households within 0-60% AMI. Eighty-eight per cent of the units are expected to be one and two bedroom units.

An additional 56 rental households will receive some type of rehabilitation work – major rehabilitation (estimated at 5 households), weatherization/energy efficiency improvements (estimated at 45 households), or accessibility improvements (estimated at 6 households). Of these, 25 households are expected to be considered extremely low income (0-30% AMI), 16 households considered very low income (30-50% AMI), and 15 households considered low-moderate income (50-80% AMI).

There is still a need for affordable housing across the spectrum - across income levels, whether it's rehabilitation or new construction, and impacting renters, homeowners and homebuyers. Keeping people in their homes by making them safe, decent and affordable through rehabilitation keeps additional pressure off the rental housing market. Developing new affordable housing helps keep up with demand from both renters and homebuyers.

Obstacles include decreasing funds from the federal government, decreasing LIHTC rates, increased reporting responsibilities that are passed down to subrecipient organizations, as well as new regulations that require additional staff time.

## **Projects**

### **AP-38 Projects Summary**

#### **Project Summary Information**

<<This section will have a table of final projects/activities (discussed in previous sections) that will be generated once they are set up in HUD's IDIS system.>>

#### **Table 9 – Project Summary**

<<To be included in the final Annual Action Plan submitted to HUD electronically in the IDIS system.>>

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## 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

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.

#### Geographic Distribution

Target Area	Percentage of Funds
City of Knoxville	100

**Table 10 - Geographic Distribution**

### Rationale for the priorities for allocating investments geographically

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.

Neighborhood Housing, Inc. (NHI)'s Workforce Development program is giving priority to adults in specific Census Tracts (19, 20, 67, and 68) that have:

- Low Opportunity - due to poverty, low income, a higher percentage of the population on public assistance, the lack of living wage jobs, high unemployment, high housing/transportation costs, a high free/reduced lunch eligibility, low education attainment, low college enrollment, low pre-school enrollment.
- Low Accessibility – due to lack of physical activity centers, active transportation, public transit, vehicle availability, retail food availability, healthy food for children.
- High Vulnerability – due to higher percentage of the population with disabilities, of a minority race/ethnicity, lack of English proficiency, a higher percentage of child population, senior population, single parent households.

### 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.

**Affordable Housing**

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

**Introduction**

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	0
Non-Homeless	361
Special-Needs	0
Total	361

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	0
The Production of New Units and/or	177
Rehab of Existing Units	184
Acquisition of Existing Units	0
Total	361

**Table 12 - One Year Goals for Affordable Housing by Support Type**

**Discussion**

Not included in this total are 7 homebuyers who will receive down payment assistance on a CHDO-developed house (so as not to duplicate numbers).

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

### **Introduction**

Knoxville's Community Development Corporation (KCDC) is the City of Knoxville and Knox County public housing authority. Currently KCDC's affordable housing portfolio includes 3,525 low-income units being managed under the Low-Income Public Housing and Project-Based Rental Assistance Programs; 3,958 Housing Choice Vouchers; and 82 Mod-Rehab units. Over the years, the agency has primarily used Capital Fund Program and Replacement Housing Fund grants to improve or replace deteriorated housing; these funds are limited, and they decline from year to year, leaving KCDC and agencies like it in a bind as far as future capital improvements are concerned.

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

KCDC is in the midst of converting several of its low-income public housing properties to PBRA/RAD. PBRA/RAD, short for Project-based Rental Assistance/Rental Assistance Demonstration, was designed by HUD to assist in addressing the capital needs of public housing by providing KCDC with access to private sources of capital to repair and preserve its affordable housing assets. PBRA/RAD allows for mixed financing options via loans and Low Income Housing Tax Credits, Knoxville Housing Development Corporation, City of Knoxville and private lenders in conjunction with Capital Funds, Operating Subsidy and Replacement Housing Factor funds.

KCDC anticipates conversion of approximately 2/3 of properties to PBRA/RAD. As anticipated in last year's report, the first RAD conversion occurred successfully on April 1, 2016, with Autumn Landing and Nature's Cove sites. Additional PBRA/RAD conversions occurred in February 2017, adding the properties of Mechanicsville, Five Points Senior Duplexes, and Valley Oaks to the list of converted sites. Remaining conversions are planned in two phases, deemed Tranche I and Tranche II. KCDC anticipates Tranche I properties to convert prior to the end of calendar year 2017. Tranche I converting properties include Lonsdale Homes, North Ridge Crossing, and The Vista at Summit Hill. Tranche II properties are anticipated to shortly follow those in Tranche I, and will include the Passport, Montgomery Village, The Verandas on Flenniken, and Austin Homes housing sites.

KCDC is also using a combination of RAD and Low-Income Housing Tax Credits, as well as money from the City of Knoxville, to address the Five Points Redevelopment area. 90 units of Elderly/Disabled designated housing will be completed and leased this summer, with an additional 84 Family-Style units to be constructed and leased approximately one year out. As a part of this redevelopment, a number of old units are expected to be demolished which were formerly part of the Lee Williams Complex and Walter P Taylor Homes developments.

In conjunction with plans for RAD conversion, KCDC has worked hard during FY 2016 to address

its properties' capital needs via existing CFP and CDBG monies.

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

Residents participate and provide feedback related to KCDC's planning and implementation of projects through the Knoxville Tenant Council, site-based resident associations and the Section 8 Advisory Board. Section 8 added 11 new homeowners to the Knoxville community through its Homeownership Program during calendar year 2016. Residents who are not working, participating in economic self-sufficiency programs, or are not elderly or disabled perform required community service monthly in order to contribute to their neighborhoods.

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

KCDC is not designated a troubled housing authority.

**Discussion**

KCDC has received CHAP (Commitment to enter into Housing Assistance Payment) Awards for all converting RAD properties. Additionally, KCDC has been awarded a Portfolio-Wide Project-Based Rental Assistance conversion for Dr. Lee William's Senior Complex (TN003000009) and Walter P. Taylor Homes (TN003000008) that consists of four phases. KCDC will continue to manage the following properties under the Low-Income Public Housing (LIPH) program: Cagle Terrace, Guy B. Love Towers, Isabella Towers, Northgate Terrace, and Western Heights. KCDC continues to seek opportunities to improve upon and add to Knoxville's affordable housing stock via known opportunities, as well as new means.

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

### **Introduction**

Based on information in the 2016 Housing Inventory Count for the Knoxville-Knox County Continuum of Care, the Knoxville 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 veterans benefit from designated permanent supportive housing beds, both in specialized housing developments and in scattered-site locations supported with housing choice vouchers.

In 2016, the Knoxville-Knox County CoC established a Homeless Youth Council, bringing together multiple service agencies that specialize in serving youth in order to identify and address the specific needs of youth and young adults who are at risk of or experiencing homelessness. In January 2017, a specialized homeless youth point-in-time count was conducted as a part of the regular, annual homeless point-in-time count. This information will be included in the 2017 count data, and will be used to better identify the needs of this population.

The Mayor's Roundtable on Homelessness brings together the leadership of area homeless service providers and other stakeholders to oversee implementation of the Knoxville's Plan to Address Homelessness. In 2015, the Roundtable adopted a set of standards of care for outreach, case management, and housing placements. This document fulfills an objective identified in the homelessness plan by creating a common set of expectations for these types of service, based on known best practices. These standards are intended both to assure a consistent level of services among the array of existing providers, and also assure that any new providers in the community are also prepared to meet expectations for meeting the needs of those experiencing homelessness in our community.

### **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.

The Knoxville-Knox County Continuum of Care is currently developing a more robust Coordinated Entry System. This will function as required by CoC regulations and will provide a consistent process for intake, assessment, and prioritization for housing and services within the CoC.

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

The City of Knoxville'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 other temporary outcomes.

**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**

The City of Knoxville 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.**

The City of Knoxville 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. Several years ago, the City created 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. The City will continue to look for other similar interventions that can prevent homelessness by stabilizing individuals and families in their existing housing.

### **Discussion**

The City of Knoxville's community homelessness plan focuses on achieving positive outcomes for each individual family, and the measurement of success is in gaining access to permanent housing and needed resources, rather than temporary outcomes (ongoing distribution of meals, shelter nights, etc.).

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

### **Introduction**

Some barriers to affordable housing include: increasing cost of development; lack of available government programs and subsidies; choice in affordable housing location; and acquiring and assembling inner city parcels.

**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**

Please see attachment section labeled AP-75.

### **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 number of poverty level families; the development of institutional structure; and the enhancement of 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.

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 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. See more information, including specific recommendations of the Plan East Tennessee Equity Profile, under attachments for this section.

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; and Promoting applicable civil rights legislation and regulations relative to fair housing and equal opportunity.

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.

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

Other than what it can fund directly with HUD funds, the City of Knoxville supports the development of new affordable housing by assisting KCDC, the public housing authority. Knoxville's Community Development Corporation (KCDC) is focusing on the revitalization of the Five Points neighborhood which includes the Walter P. Taylor Homes public housing development. Previous phases of this plan included construction of 20 units of elderly housing, 25 family units on scattered sites in-fill lots and development of 85 units of elderly housing at the Residences at Eastport. Funded with low-income housing tax-credits, construction of 90 units of elderly/disabled housing is underway on the Walter P. Taylor homes site. KCDC also applied for tax-credits in 2016 for 84 new family units to be constructed on the Walter P. Taylor homes site. The City of Knoxville has invested \$3,600,000 of local dollars on the revitalization to date. With the next two phases (Phase 2 & 3) of housing construction, the City will provide \$4,400,000 for infrastructure improvements to include new streets, sidewalks, lighting and landscaping. The City has pledged a total of \$8 million in local funds to assist with the revitalization project.

The City also supports private developers of affordable housing by assisting with documentation required by the State of Tennessee for tax credits through the Tennessee Housing Development Agency (THDA).

The City holds "Landlord Summits" to encourage landlords to provide affordable housing and educates them about available resources to help them maintain affordable housing, such as information about: free weatherization resources (through the Knoxville Knox County Community Action Committee's Knoxville Extreme Energy Makeover program); free lead testing (through the City's Lead Hazard Control program); the new Cooperative Agreement to Benefit Homeless Individuals (CAHBI), serving veterans and other homeless individuals and families;

social services programs, such as Section 8 Rental Assistance and other services; and fair housing laws and the landlord/tenant act and how they are impacted.

Also, to help foster the development of new affordable rental housing, the City of Knoxville facilitates the Affordable Housing Roundtable.

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

According to CHAS data and HUD formulas, it is estimated that City-wide, 67% of the housing stock was built prior to 1978. Based on experience with housing rehabilitation and lead paint testing, it is estimated that 80% of the units built before 1978 contain lead paint hazards. Of these housing units, an estimated 20,400 are occupied by low, very low, and extremely low income households.

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 rehabilitation. All pre-1978 housing units, which are identified for the rehab program, receive a lead hazard screen and/or lead inspection to determine if lead hazards are present. If a lead hazard is identified, a risk assessment is prepared to define the hazards and to define the remediation necessary to eliminate the hazards. The actual remediation work is accomplished as part of the rehab work. All lead inspections/risk assessments are prepared by an EPA State certified inspector/risk assessor, being either a third party vendor or a Rehab Specialist staff member. All lead hazard control field work is completed by an EPA State certified lead abatement firm.

In August 2013, the City of Knoxville was awarded a three-year Lead Hazard Control Grant from HUD's Office of Healthy Homes and Lead Hazard Control in the amount of \$2.5 million to address lead based paint hazards in the City. With these funds, the City was able to add an education component as well as lead testing and abatement to all home repair programs. As of March 2017: 210 inspection/risk assessments have been completed; 149 units have had lead hazard control work completed; 91% of the funds have been expended; and there's an anticipated July 2017 completion date.

All of 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.

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

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

Programs that create homeownership opportunities provide low and moderate income families with the ability to build wealth while serving to stabilize neighborhoods. Housing rehabilitation results in lower energy costs and savings to the homeowners. Development of affordable rental housing for LMI families and individuals increases their opportunity to save income and become self-sufficient. Housing rehabilitation and construction activities create job opportunities for LMI people, as well. The City tracks job creation and retention activities through Section 3 reporting.

The City of Knoxville, in cooperation with Knoxville's Community Development Corporation (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.

The City of Knoxville Community Development Department applied for a Section 108 Loan Guarantee Program loan in September 2015 to assist in the redevelopment of a historic hotel building in Downtown Knoxville. Approval of the loan was received in April 2016. Construction is underway currently and the \$2.9 million loan is being used to fill the gap in development costs of a national brand hotel creating 61 full-time equivalent jobs. The total project cost is \$18.7 million.

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

The Knoxville/Knox County community has many qualified and experienced nonprofit agencies that assist the City in the implementation of the Consolidated Plan. Many of the existing programs, especially among homeless service providers, that are funded by the City have been redesigned for efficiency in the last several years as funding priorities have shifted. During this time, the City has continued to expand efforts to increase the number of opportunities for participation from outside organizations.

There continues to be a need to develop and encourage the participation of neighborhood organizations and other groups in the community development process. There are additional efforts to strengthen the capacity of Community Housing Development Organizations (CHDO) to carry out housing development activities funded through the City.

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

The City supports coordination between public and private housing and social service agencies through the Mayor's Roundtable on Homelessness.

## Discussion

The City is committed to addressing: obstacles to meeting underserved needs; fostering and maintaining affordable housing; lead based paint hazards; reducing the numbers of poverty level families; developing institutional structure; and enhancing coordination between public and private housing and social service agencies.

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## Program Specific Requirements

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

#### Introduction

This section describes the various program specific requirements for the Community Development Block Grant, HOME Investment Partnership, and Emergency Solutions Grant programs.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(l)(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. Only direct subsidy to the homebuyer is subject to recapture. The recapture provisions are enforced during 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
- Fifteen 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
- Fifteen 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 multifamily 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)

Attachment labeled AP-90 further defines ESG written standards.

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 has a “Request for Proposals” process where organizations and agencies can submit an application for homeless grants. Whatever the source of funding - City/local funds, THDA/State ESG funds, or in case of reinstatement, a direct allocation of ESG from HUD – the same criteria for the application is used. This is so that the City can use whatever funding is available to afford the most flexibility in meeting the needs of the homeless in its community. The application lists 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 staff team review each application and rate the proposals on how the program fits within the ESG programmatic components, how it meets a crucial homelessness-based need and which funding source is most appropriate for the request. Organizations and agencies are then recommended for funding to senior staff and the mayor. Agreements are developed which outline expectations, rules, regulations, policies and procedures, and are reviewed and approved by City Council before they are executed.

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.

**Attachments**

**Citizen Participation Comments**

**PY2017-2018 Annual Action Plan**

**Citizen Participation**

**AP-10 Consultation –**

October 19, 2016	Summary of Meeting Notes .....	attached
December 20, 2016	Summary of Meeting Notes .....	attached
January 9, 2017	Summary of Meeting Notes .....	attached

**AP-12 Citizen Participation –**

January 12, 2017	Public Meeting #1 Questions/Comments .....	attached
April 10 – May 9, 2017	Public Comment Period Questions/Comments .....	final plan
May 8, 2017	Public Meeting #2 Questions/Comments .....	final plan
Knoxville News Sentinel Notice for January 12, 2017 Public Meeting .....		attached
Knoxville News Sentinel Notice for Public Comment Period .....		final plan
Knoxville News Sentinel Notice for May 8, 2017 Public Meeting .....		final plan

**Grantee Unique Appendices**

**PY2017-2018 Annual Action Plan Attachments**

**AP-75 Barriers to Affordable Housing .....**

**AP-90 Program Specific Requirements .....**

**DRAFT**

## **AP-75 Barriers to Affordable Housing**

### **Negative Effects of Public Policies on Affordable Housing and Residential Investment**

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

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

In order to address barriers to affordable housing, the City will pursue the following strategies:

During PY2017-2018, the City of Knoxville will conduct (or be part of a consortium that conducts) an Assessment of Fair Housing (AFH) to analyze the local fair housing landscape and set fair housing priorities and goals. Four fair housing issues will be assessed: Patterns of integration and segregation; Racially or ethnically concentrated areas of poverty; Disparities in access to opportunity; and Disproportionate housing needs. The AFH process begins with the provision of data, guidance, and an assessment tool (provided by the US Department of Housing and Urban Development (HUD)) that will help the City identify fair housing issues and related contributing factors both in the city and the region. The City will also use local data and local knowledge, and the required community participation process. The City (or consortium) will prepare and submit a complete AFH to HUD, including fair housing goals to overcome fair housing issues and related contributing factors. These goals will help to inform subsequent housing and community development planning processes.

The City is marketing an increasing number of parcels through its Homemaker's 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 the Five Points and Lonsdale redevelopment areas that contain properties that have remained undeveloped or underutilized due to marketability or title problems. The City will continue to acquire abandoned property to clear title issues and offer lots for sale for redevelopment through the Homemaker's Program. Blighted properties throughout the city are acquired with City general funds and sold through the Homemaker's program, 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 Homemaker's properties are posted on the City web site: (<http://www.knoxvilletn.gov/development>).

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. 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.

#### **AP-90 Program Specific Requirements Attachment**

***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.

6. 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.

7. 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 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.

8. 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 Mayor’s Roundtable on Homelessness 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.

## 9. Describe performance standards for evaluating ESG.

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

### **Grantee SF-424's and Certification(s)**