# City of Knoxville Housing and Neighborhood Development Department

Annual Action Plan Public Meeting February 1, 2022

# **Housing and Neighborhood Development**

Becky Wade, Director

Linda Rust, CD Administrator

Introduction of Staff

Beth Bacon Hope Ealey Bailey Walker

Bennett Meeks Cicely Henderson Lilly Morris

Attendees, please introduce yourselves and share your email address on the Zoom "Chat" function.

#### **Agenda**

- I. Community Agency Grants
- II. Housing and Neighborhood Development
  - A. The Five Year Consolidated Plan
  - B. Annual Action Plan Update –
    Years One and Two
  - C. Year Three Annual Action Plan Update
    - 1. Results from Consultation Meetings
    - 2. Discussion / Public Comment
    - 3. Annual Action Plan Process / Timeline

# I. Community Agency Grants

There are two different application forms:

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

#### **DEADLINE**

Applications are due by 4:00 p.m. on Thursday, Feb. 24, 2022

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

# City of Knoxville FY2022 -23 Community Agency Grants Goals & Priorities



## II. Housing and Neighborhood Development

#### A. The PY2020-2024 Five Year Consolidated Plan

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

**CDBG** – Community Development Block Grant

**HOME** – HOME Investment Partnerships Grant

**ESG** – Emergency Solutions Grant

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

# 2020-2024 Five Year Consolidated Plan Priorities

Reduce and Prevent Homelessness

Stabilize and Revitalize Neighborhoods

Create Economic Opportunity

Enhance the Availability, Accessibility and Quality of Affordable Housing

#### **HUD Funding**

#### Community Development Block Grant (CDBG)

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

#### **HOME Investment Partnerships (HOME)**

Affordable Housing for LMI households

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

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

## **Community Partners**

Non-Profit Social Service Organizations

Non-Profit Housing Assistance Organizations



Non-Profit and For-Profit **Housing Developers** 









**Foundations** 







**Homeless Coalition** 









**KCDC** 











State of Tennessee











#### **B. Years One and Two Annual Action Plans**

- Annual Action Plans Update the 2020-2024 Five-Year Plan
- Consideration of changes in
  - Community Needs
  - Opportunities and Challenges
  - Funding Sources and Amounts

# PY2020 – Current COVID-19 Pandemic



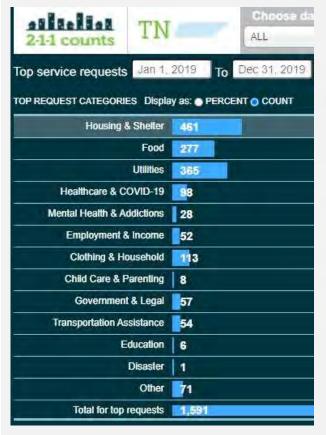
#### **Community Needs**

- Community-Spread of the Disease
  - Lack of Ability to Social Distance People in Shelters
  - Food Vulnerability Elderly and People with Disabilities
- Economic Consequences of Pandemic Shut-down
  - Loss of Work/Income and Inability to Pay Housing Costs

# 2-1-1 Call Data

**2019** 1,591 Calls

**2020** 7,230 Calls **2021** 5,139 Calls







#### **Opportunities**

- CARES Act Funding
  - ESG-CV \$2.7M
    - Homelessness Prevention
    - Street Outreach
    - Emergency Shelter (including non-congregate shelter)
    - Rapid Re-Housing
    - HMIS
  - CDBG-CV \$2.8M
    - Public Services:
      - Housing Assistance Payments
      - Food Assistance
- American Rescue Plan Funding
  - HOME-ARP \$4.07M

#### **Innovations**

- Waivers/Flexibilities to some HUD rules
- Ability to use funds in new ways
- Included new partners

## Notable New Programming

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

#### **Challenges**

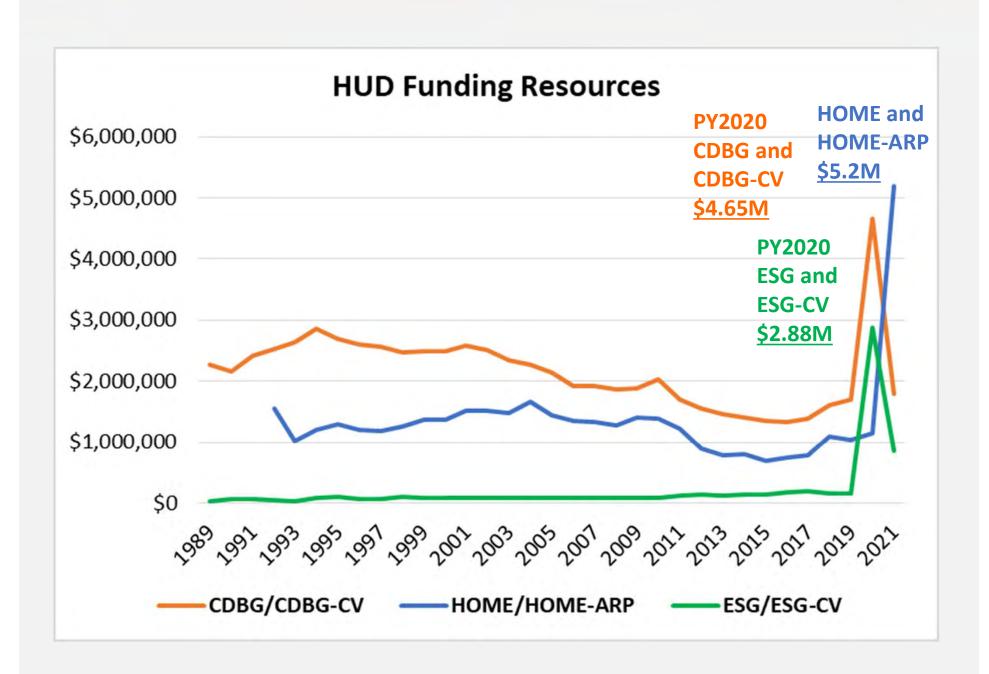
- Understanding new rules
- Capacity, capacity, capacity
- Funding can be complicated
- Deadlines / Deadlines changing
- Needs have not abated over time

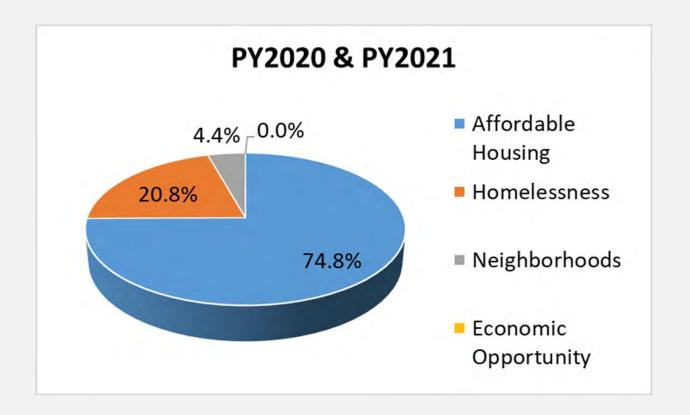
#### **Funding Sources and Amounts**

- ESG and ESG-CV
  - \$3.73M (23x 2019 ESG amount)
  - ESG-CV Deadline: September 2022
- CDBG and CDBG-CV
  - **\$6.43M** (**3.8x** 2019 CDBG amount)
  - CDBG-CV Deadline: June 2023
- HOME and HOME-ARP
  - \$6.35M (5.5x 2020 HOME amount)
  - HOME-ARP Deadline: 2030

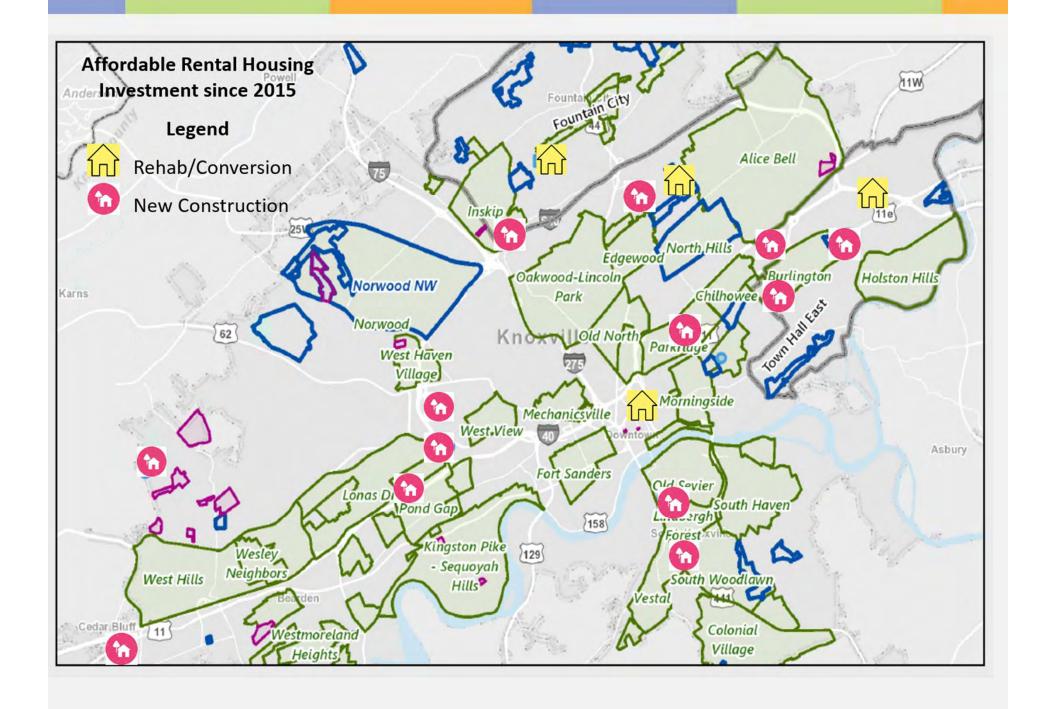
#### **Other Challenges**

- Increased Cost and Time
  - Labor shortages
  - Supply issues/material shortages
- Fear of Community-Spread
- Other New Funding in Community / Coordination





PY2020-2024 Consolidated Plan Goals and Objectives	Priority	PY2020 & PY2021 (12/31/2021)	
GOAL: Enhance the Availability, Accessibility, and Quality of Affordable Housing		<u>Funding</u>	Housing Units
Objective: Increase Affordable Rental Housing, through:			
New Construction Rehabilitation	High High	\$5,495,000 \$1,943,699	576 175
Objective: Increase Affordable Owner-Occupied Housing, through:			
New Construction (Including Partnering with CHDOs)  Down Payment and Closing Cost Assistance to CHDO Homebuyers  Rehabilitation	High High High	\$283,500 \$384,403 \$9,922,385	5 24 419
Objective: Increase Permanent Supportive Housing (PSH)	High	\$3,420,000	114
Objective: Provide Tenant-Based Rental Assistance	Low TOTAL:	\$21,448,987	1,313



Apartment Community	Units	Total Cost	ARD\$ Committed	Status
Restoration House (Single mother-families)	30	\$ 3,969,622	\$ 330,000	Complete
Middlebrook Gardens (Veterans)	10	\$ 1,575,000	\$ 300,000	Complete
Southside Flats (Families)	172	\$30,587,398	\$ 360,000	Complete
Cottages at Clifton Rd. (Elderly/Disabled)	53	\$ 5,673,000	\$1,200,000	Complete
Young High Flats (Families)	156	\$31,908,068	\$1,320,000	Complete
Pond Gap Flats (Families)	102	\$21,571,666	\$ 555,000	Complete
Village at Holston Place (Elderly/Disabled)	24	\$ 3,710,000	\$ 380,000	Complete
HRMC Mineral Springs (Elderly)	50	\$ 5,900,000	\$1,500,000	Underway
Burlington Commons (Families)	50	\$ 9,755,351	\$1,470,000	Now Leasing!
Moss Grove (Families)	192	\$43,429,280	\$ 950,000	Now Leasing!
Caswell Manor (PSH)	48	\$18,315,384	\$1,440,000	Underway
Dogan-Gaither Flats (PSH)	16	\$ 3,860,368	\$ 480,000	Underway
Ammons at Asheville Hwy. (Families)	80	\$20,458,856	\$2,000,000	Underway
Inskip Flats (Families)	66	\$17,016,834	\$1,980,000	Underway

Since 2017:

completed 789 underway <u>260</u> **Total Units 1,049**  **\$16,725,000** committed/pre-approved

## **Affordable Housing Development Stats**



Above: The Restoration House, 1105 Village

Place - 18 units

Below: The Flats at Pond Gap, 909 Hollywood Rd

- 102 units



For every \$1 of local funds committed, \$14.81 non-local funds were leveraged

#### **Units**

**100%** restricted to *LMI* households within 80% AMI

An increasing number of units are set aside for *Permanent Supportive Housing* 

#### Residents/Households

73% Extremely Low-Income (w/in 30% AMI)

**50%** Elderly and/or People with a Disability

33% Single-parent Families

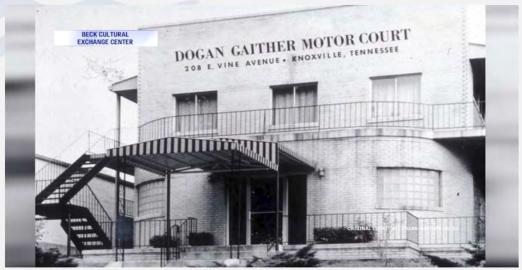
25% Very Low-Income (w/in 50% AMI)

## **Upcoming Housing Developments**



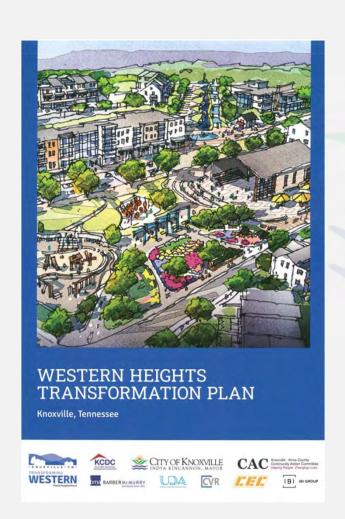
Austin Homes Redevelopment Permanent Supportive Housing (PSH)

Fourth Purpose PSH Dogan-Gaither Flats 211 Jessamine Street - 16 units



# Upcoming Project – Western Heights Transformation Plan

Requires commitment of \$250,000 of CDBG funds per year for 6 years (\$1.5M)





MIXED-INCOME HOUSING DEVELOPMENT PROGRAM				
	EXTREMELY LOW-INCOME	AFFORDABLE	MARKET-RATE	
Phase 1	47	48	25	
Phase 2	51	44	24	
Phase 3	52	43	25	
Phase 4	46	49	25	
Total	196	184	99	
Percentage	41%	38%	21%	

### Western Heights Transformation Plan



#### **NEIGHBORHOOD**

- Safety
   Ensure neighborhood is safe for all
- 2 Transportation Increase transportation choices
- Open Space Create quality green spaces, parks, and recreation amenities
- 4 Arts, Entrepreneurship, & Engagement Strengthen arts, culture, and entrepreneurship to anchor community
- 5 One Community
  Ensure new and
  renovated housing
  in Western Heights
  feel like one cohesive
  community



#### HOUSING

- Mixed-Income
  Develop a diverse
  and inclusive mixedincome community
- 2 Unique Site
  Celebrate the site,
  including spectacular
  views, to change
  negative perceptions
  of Western Heights
- 3 Choices
  Create housing
  choices and different
  types of buildings that
  serve different family
  needs
- 4 Management
  Establish responsive,
  on-site management
  with high-quality
  amenities and
  attentive maintenance



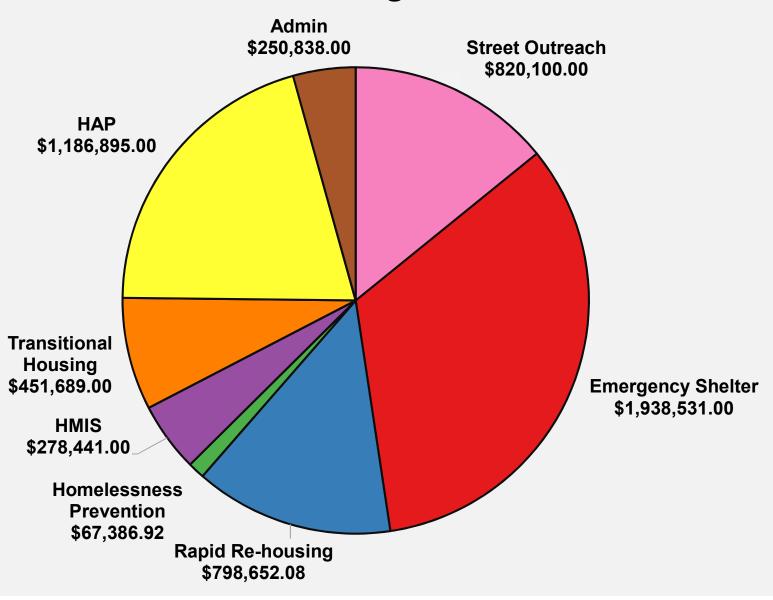
#### **PEOPLE**

- 1 Education Improve education outcomes
- 2 Health Improve resident health outcomes
- 3 Youth Development Increase safe education and enrichment options for youth
- 4 Economic Stability

  More residents secure
  living-wage jobs and
  actively engage career
  opportunities
- 5 Food Security
  Improve access to
  affordable, healthy
  fresh food options

PY2020-2024 Consolidated Plan Goals and Objectives	Priority	PY2020 & PY2021 (12/31/2021)	
GOAL: Reduce and Prevent Homelessness		<u>Funding</u>	Individuals Served
Objective: Increase Affordable Housing, through:			
Rental Housing Development/Rehab	High		
Permanent Supportive Housing Development/Rehab	High		
Objective: Prevent Homelessness and Prevent Displacement, through:			
Emergency Home Repair Services	High		
Homelessness Prevention Services, incl. Case Mgmt and Supportive Services	High/ESG	\$1,254,282	1,255
Objective: Connect People to Resources, Through:			
Rapid Re-housing Assistance	High/ESG	\$798,652	991
Case Management, including Housing Navigation	High/ESG	\$415,800	215
Employment and Economic Stability	High		
Street Outreach	High/ESG	\$820,100	825
HMIS	High/ESG	\$278,441	
Objective: Provide Emergency Shelter (including Low-barrier shelter)	High	\$1,938,531	2,558
Objective: Provide Emergency Services (Including Amenities)	High/ESG	(included in Eme	rgency Shelter)
	*Transitional Housing		
		\$451,689	283
	TOTAL:	\$5,957,495	6,127

# PY2020 and PY2021 Homelessness Program Distribution



PY2020-2024 Consolidated Plan Goals and Objectives	Priority	PY2020 & PY2021 (12/31/2021)	
GOAL: Stabilize and Revitalize Neighborhoods		<u>Funding</u>	Accomplishments Individuals Served
Objective: Increase Housing Affordability through Housing Development	, by:		marriadais sorred
Partner with CHDOs and Others	High		
Provide Down Payment and Closing Cost Assistance to CHDO Homebuyers	High		
Objective: Prevent Displacement, through:			
Housing Rehabilitation	High		
Design and Technical Assistance	High	\$110,000	<b>31</b> orgs
Objective: Support Public Services			
Health Services (Mental Health and Substance Abuse)	High/ESG	\$12,000	20
Employment and Job Training	High	\$583,134	295
Energy Conservation in Affordable Housing Development	High		
Broadband Internet in Affordable Housing	Low		
CDBG-CV: Food Services for Vulnerable Populations	(-CV)	\$225,000	467
Objective: Support Improvements to Public Infrastructure, through:			
Pedestrian and Vehicular Street Improvements	Low		
Storm Water Improvements	Low		
Objective: Support Public Facility Improvements - Energy Conservation	(-CV)	\$310,000	1,609
Objective: Improve Blighted Properties with HUD Funds	Low	\$12,817	<b>50</b> lots
	TOTAL:	\$1,252,951	

PY2020-2024 Consolidated Plan Goals and Objectives	Priority	PY2020 & PY2021 (12/31/2021)	
GOAL: Create Economic Opportunity		<u>Funding</u>	Individuals Served
Objective: Create Job Opportunities, through:			
HUD-funded Affordable Housing Construction Activities	High	Created w/Affordable Housing activities	
HUD and/or Other Source(s)-funded Construction Activities	High		
Objective: Increase Economic Opportunity, through:			
Development of a Construction-related Job Pipeline	High		
Creation of a Central Repository of Contractors and Subcontractors	High		
Support Capacity-building within the Community	High		
	TOTAL:	<b>\$0</b>	0

#### C. Year Three Annual Action Plan

- PY 2022-2023
- Activities beginning July 1, 2022 through June 30, 2023
- Re-evaluating changes in:
  - Community Needs
  - Opportunities and Challenges
  - Funding Sources and Amounts
- Consultation with community partners
- Citizen Participation
- Notification of funding should happen in February
- Due by May 15

## **Anticipated HUD Funding**

#### Community Development Block Grant (CDBG)

- Low- to Moderate-Income (LMI) people / households / areas
- Slum or Blight
- Urgency (urgent threat to community health and welfare)
- Public Services
- Annual application process (February 7, 2022)
- \$1.78M in PY2021

#### **HOME Investment Partnerships (HOME)**

- Affordable Housing for LMI households
- Applications accepted year-round
- \$1.12M in PY2021 (+ HOME-ARP \$4.07M)

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

- Homelessness
- Annual application process (February 7, 2022)
- \$150,252 in PY2021

#### **New Resource: HOME-ARP Funds**

- American Rescue Plan (ARP) supplemental funds to the HOME Program
- <u>Purpose</u>: To create affordable housing and services to meet the needs of people experiencing or at-risk of experiencing homelessness
- **\$4,076,859** Allocated for the City of Knoxville (through 9/30/2030)
- Funds must be used to primarily benefit qualifying populations (QP) through four eligible activities:
  - 1. Tenant-Based Rental Assistance (TBRA)
  - 2. Provision of supportive services
  - Acquisition & development of Non-Congregate Shelter (NCS) units
  - 4. Development & support of affordable housing (Acquisition, rehabilitation, or construction)
- Planning process will begin in April 2022 (use Zoom "chat" to express your interest in participating)

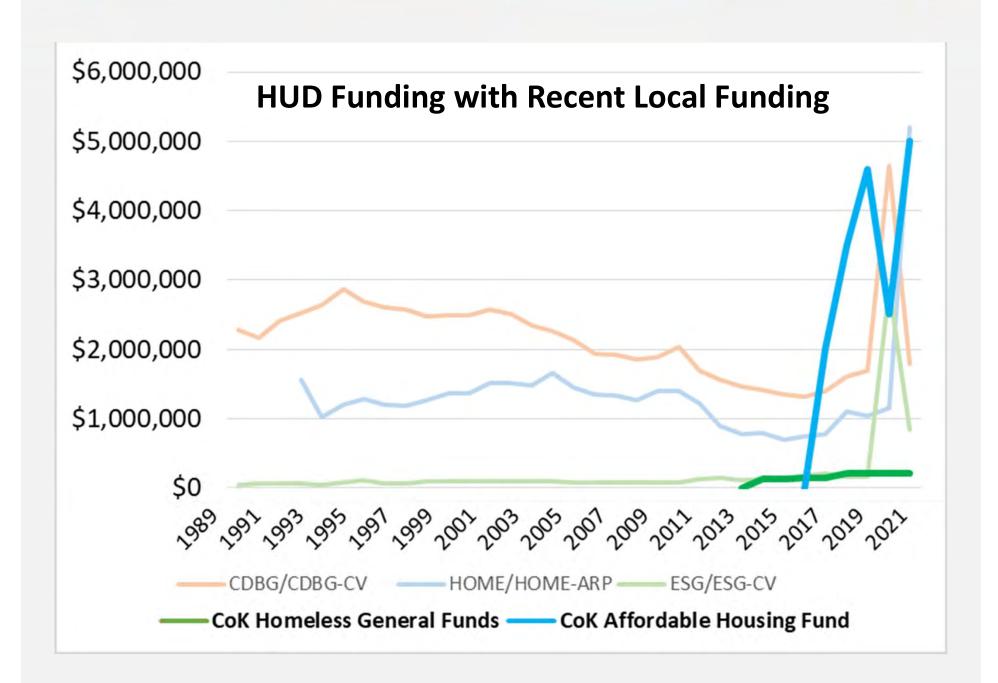
#### **Anticipated Local Funding**

#### Homeless General Funds - \$201,000 (PY2021)

Augment ESG w/annual application process (February 7, 2022)

#### Knoxville's Affordable Housing Fund - \$8,177,860 (PY2021)

- Launched in July 2021, included new funding:
  - Austin Homes Revitalization Phase 3 Infrastructure \$3.78M
  - Permanent Supportive Housing \$1.5M
  - Administration \$72,960
- Affordable Rental Development Fund (ARDF)
  - Since July 2017
  - \$15.1M to-date (inc. \$2.5M in PY2021)
- Affordable Housing Trust Fund/East Tennessee Foundation
  - Since 1993
  - \$9.04M to-date (inc. \$323,000 in PY2021)



#### 1. Results from Consultation Meetings

#### **Five Consultation Meetings in January 2022**

- Affordable Housing Needs
  - (1) Affordable Housing Stakeholders 29 participants +2 surveys
  - (2) Knoxville's Affordable Housing Fund (AHF) Advisory Committee
    - 7 participants
- Homelessness Needs
  - 21 participants +4 surveys
- Non-housing Community Development Needs
  - Economic development, public services, public facility and infrastructure improvements needs
  - 11 participants +1 survey completed

## **Affordable Housing Needs**

#### **Available Housing**

- Affordable rental development units are leased before construction is even completed
- Permanent Supportive Housing (PSH) for people with mental health and substance abuse challenges
- In more geographic areas, on public transit
- Single family rental houses
- Incentives for smaller landlords to renew agreements/leases to keep housing affordable
- CHDOs:
  - Operating and program funds
  - Raise the HOME subsidy limit
- Increase homeownership for Black, Indigenous and People of Color (BIPOC)
- Contractor "incubator" is needed to increase number of contractors

#### **Accessible Housing**

- Rental housing is needed for certain demographics:
  - Disabled
  - Elderly/Aging
  - Justice-involved individuals
  - Youth
- Rental units near safe, public transit
- Incentives to landlords to accept Section 8 voucher-holders
- Renter-Readiness programs (pre- & post-housing) to reduce evictions
- THDA Housing Trust Fund pairing better with mental health needs

#### Affordable Housing

- Housing rehabilitation (inflation impacting homeowner costs leaving less money for repairs)
- \*Contractor-incubator to increase number of contractors
- Homeownership opportunities in low-income areas
- Down payment assistance for first-time homebuyers (can't compete with house 'flippers'/developers)
- The City can partner with banks offering down payment assistance

#### **Homelessness Needs**

#### **Emergency Shelter/Services**

- Shelters tailored to meet the needs of:
  - Seniors
  - People with Disabilities
  - Youth especially services and supports for LGBTQ+ youth
  - Families with Children continued need for non-congregate shelter
  - People Fleeing Domestic Violence need shelter immediately
  - Justice-involved Individuals
  - Sex-offenders
- Concern for personal safety and security of belongings
- Parking lots used by people staying overnight in their cars
- Pre-housing case management there's a services gap between Street Outreach and shelter/housing opportunities

#### Street Outreach

- Services for people being released from prison/jail
- A designated drop-off spot with resources for justice-involved individuals
- Opportunity to provide outreach and referrals in parking lots used by people staying overnight in their cars

#### Rapid Re-Housing

- Rapid re-housing dedicated to the Continuum of Care
- Services need to follow the individual

#### Permanent Supportive Housing (PSH)

- Counseling and wrap-around care to help sustain housing
- Supportive services alongside housing, especially for those with addiction and mental health issues
- For people who have a disability, but do not yet have disability benefits

# Non-Housing Community Development Needs

#### **Public Services**

- Services and supports for people with disabilities, including addiction care
- In-home care and/or center-based care, especially for people with dementia
- Inpatient care / a higher level of care for people experiencing mental health and addiction crises
- Destigmatized mental health (esp. for young adults), easily accessible, affordable, long-term mental health care
- Affordable mental health care for young adults with ACEs
- Continuation of COVID-related financial support
- Childcare reliable and more consistently available

#### **Economic / Workforce Development**

- Pre-apprenticeship training, job training readiness / soft skills with financial support during participation
- Support services after securing a job
- Longer-term sick leave benefits and reasonable accommodations
- Contractor-Incubator

#### 2. Discussion

Your Turn!

#### 3. Annual Action Plan Process/Timeline

**Public Meeting #1 (tonight)** 

**February 1, 2022** 

Staff Prepare Draft Annual Action Plan

February – May

Applications Released for CDBG and Homeless Grants

February 7

www.knoxvilletn.gov/development "Current Grant Opportunities"

Mandatory TA Workshops

February 9 & 10

**Applications Due** 

February 25 (Noon)

**Draft Available for Review (30 days)** 

April 1 – May 2

**Public Meeting #2** 

**TBD** 

Staff Make Revisions as needed

April – May 3

**City Council Review / Vote** 

May 3

Annual Action Plan due to HUD

May 15, 2022

#### City of Knoxville **Community Agency Grants**

Applications are due by 4:00 p.m. on Thursday, Feb. 24, 2022

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

City of Knoxville CDBG and Homeless Grants

Application must be received by 12:00 p.m. (Noon) on Friday, Feb. 25, 2022

865-215-2290 healey@knoxvilletn.gov

CDBG – Hope Ealey Homeless Grants - Bailey Walker 865-215-2888 bwalker@knoxvilletn.gov

## Please send your comments or questions to Linda Rust

LRust@knoxvilletn.gov

or

P.O. Box 1630

Knoxville, TN 37901-1630

# Thank you for joining us!

www.knoxvilletn.gov/development