



CITY OF KNOXVILLE
INDYA KINCANNON, MAYOR

Housing and Neighborhood Development
Department

Amy Brooks, Director

PY2021-2022

**Consolidated Annual Performance and
Evaluation Report (CAPER)**

September 13, 2022

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

Community Development Block Grant (CDBG)

HOME Investment Partnerships (HOME) and

Emergency Solutions Grant (ESG)

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Program Year (PY) 2021-2022 was the second year of the PY2020-2024 Consolidated (strategic) Plan period and the second year coping with the impact of the coronavirus/COVID-19 pandemic and its economic consequences.

The City of Knoxville outlined certain goals and high priority objectives (see Attachment 1) in its five-year Consolidated Plan to be addressed through its annual allocations of U.S. Department of Housing and Urban Development (HUD) funding. The plan was developed through an extensive community engagement process in the summer of 2019, prior to the pandemic. As circumstances changed with the onset of COVID-19 and the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, HUD allocated supplemental funds to grantees, including the City of Knoxville. HUD also provided waivers and flexibilities to its funding programs. The City addressed these additional funds and the needs they would meet, in substantial amendments to its PY2019-2020 Annual Action Plan. The 2019-2020 Annual Action Plan, 2020-2024 Consolidated Plan (which includes the Annual Action Plan describing specific goals for PY2021-2022), and the amendments are all available at www.knoxvilletn.gov/development under the “Reports and Plans” tab.

The priority community needs, listed as Goals in the sections below, provide the framework for describing the accomplishments in the 2021-2022 program year that began July 1, 2021, and ended June 30, 2022. Included are activities funded with HUD Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs as well as CARES Act supplemental HUD funds (CDBG-CV and ESG-CV) intended to *prevent, prepare for, and respond to COVID-19*. Other funds, including local funds for affordable housing and homelessness contributed by the City and State of Tennessee/THDA ESG-CV funds for homelessness, will also be described in the report.

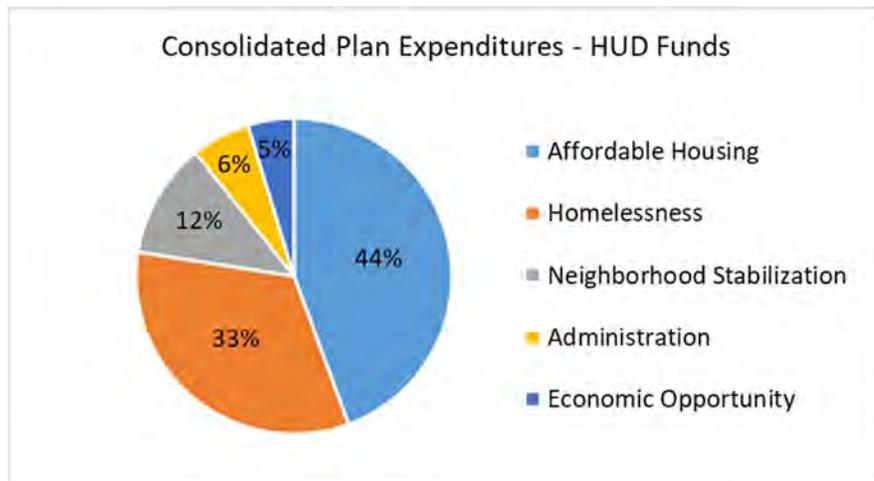
2020 – 2024 Consolidated (Strategic) Plan

The 2020-2024 Consolidated Plan set the following goals: Reduce and Prevent Homelessness; Stabilize and Revitalize Neighborhoods; Create Economic Opportunity; and Enhance the Availability, Accessibility, and Quality of Affordable Housing.

During PY2021-2022, the City spent \$5,858,210 in HUD funds on the following:

- Affordable Housing - \$2,600,922 (44%)
- Homelessness - \$1,936,907 (33%)
- Neighborhood Stabilization - \$692,456 (12%)

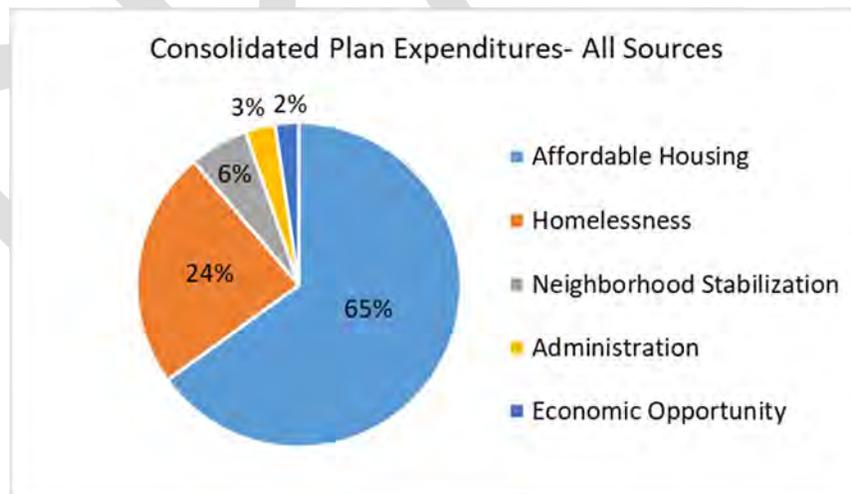
- Administration - \$351,817 (6%)
- Economic Opportunity - \$276,105 (5%)



The City also spent \$5,872,799 in non-federal funds during the program year:

- \$5,030,285 in local Affordable Rental Development (ARD) Funds (Affordable Housing)
- \$641,993.04 in Tennessee Housing Development Agency (THDA) ESG-CV funds (Homelessness)
- \$200,521 in local Homeless General Funds (Homelessness)

When these expenditures are added, the breakdown by Consolidated Plan category is shown below.



Next, expenditures during the program year for each Consolidated Plan category will be discussed. Additional detail on funding amounts and how they were used can be found later in this document.

Goal: Enhance the Availability, Accessibility, and Quality of Affordable Housing

Affordable housing is the cornerstone of the City of Knoxville’s Consolidated Plan and is critical to:

- Preventing housing instability that leads to homelessness;
- Reducing and shortening length of homelessness;
- Stabilizing and revitalizing neighborhoods; and
- Creating economic opportunity.

The City’s Housing and Neighborhood Development department (HND) coordinates the City’s affordable housing development and rehabilitation programs. During the program year, both HUD HOME and CDBG funds (shown in blue below), and local Affordable Rental Development (ARD) funds (shown in orange below) were used to accomplish the goal. The chart below shows affordable housing activity expenditures from all funding sources during PY2021-2022.



HUD Funds

PY2021-2022 HUD Fund Expenditures: \$2,600,922.29

- \$1,516,818.10 – HOME allocations, program income, and unspent prior year funds
- \$1,984,104.19 – CDBG allocations, program income, and unspent prior year funds

PY2021-2022 Accomplishments:

Responding to the dramatic increase of housing costs¹ in the past couple of years, the City of Knoxville used the majority of its HOME and CDBG funds on affordable housing activities. Rental Housing rehabilitation made up the largest housing expense (38%), followed by Emergency/Minor Home Repairs (29%), Owner-occupied Housing Rehabilitation (23%), Acquisition and Rehabilitation for purchase through Community Housing Development Organizations (CHDOs) (7%), Down Payment Assistance to purchasers of CHDO-developed housing (1%), and Down Payment Assistance and Rehabilitation through one CHDO (1%). Please see the chart below of HUD-funded affordable housing expenditures during PY2021-2022.



Affordable housing units completed in PY2021-2022, include: 129 rental units (74 of which were HOME-assisted); 184 units had emergency or minor home repairs, including accessibility modifications; 3 LMI owner-occupied units had substantial rehabilitation; five units were rehabilitated by CHDOs for purchase by LMI homebuyers; and 2 LMI homebuyers were provided down payment assistance of CHDO-developed homes. At the end of the program year: two rental units were undergoing rehabilitation; two owner-occupied units are being developed by CHDOs; and five owner-occupied housing units are being rehabbed. THDA also recently awarded Multifamily Tax-Exempt Bond financing (4% LIHTC) for the rehabilitation of 240 units of affordable housing for seniors at Westview Towers. The City anticipates

¹ Housing costs have dramatically increased in the past several years, with the highest increases occurring between 2020 and 2021 – the first year of the pandemic and the height of the economic shutdown. While rents were steadily increasing before the pandemic, the average apartment rent in the Knoxville area (Knox and four adjacent counties are included in the statistics for “Knoxville”) rose 11.8% (\$131/month) from 2020 to 2021 (Source: RentCafé.com, February 2022). Average single-family home sales have also increased, estimated at 23% year over year, from \$196,000 in 2016 to over \$333,000 in 2021 (an increase of \$137,000). The largest increase was also seen between 2020 and 2021. Further increases in average home sales are expected in 2022, from 2.9% to 7.7%, due to continued supply and demand issues. (Source: WATE.com January 18, 2022).

using HUD HOME funds on the project as well. The PY2022-2023 will include a report on how this is progressing.

City of Knoxville Funds

The City of Knoxville is committed to the development of new affordable rental housing units. In July 2017, the Affordable Rental Development (ARD) Fund was created with \$2 M in local funds committed in its first year. Over the next three years, City Council added another \$10.6 M in local funds, for a total of \$12.6 M. During that time, the City also used a little over \$1 M of its HUD funds for the development of new rental housing. Through PY2020, \$4,445,000 of ARD Funds were spent to complete 547 new rental units.

PY2017-PY2020 Completed Units					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
Restoration House	Families	0-50% AMI	30	\$330,000	Completed
Middlebrook Gardens	Permanent Supportive Housing for Veterans	0-50% AMI	10	\$300,000	Completed
Southside Flats	Families	0-50% AMI	172	\$360,000	Completed
Cottages at Clifton	Elderly/Disabled	0-30% AMI	53	\$1,200,000	Completed
Young High Flats	Families	0-50% AMI	156	\$1,320,000	Completed
Flats at Pond Gap	Families	0-50% AMI	102	\$555,000	Completed
Village at Holston Place	Elderly/Disabled	0-60% AMI	24	\$380,000	Completed

PY2021-2022 Affordable Rental Development (ARD) Fund Expenditures: \$3,920,000

PY2021-2022 Accomplishments

Construction of 292 new affordable rental units was completed in PY2021-2022. While all of the tenants must have incomes within 80% of Area Median Income (AMI), approximately 33% of the units were restricted to 50% AMI. Of the tenants moving in, 39% had *extremely low-income* (0-30% AMI), 39% had very low-income (30-50% AMI) and 21.7% had *low-income* (50-80% of AMI). Fifty (50) units, or 17%, are restricted units for the elderly households.

Three developers, two non-profit (McNabb and KCDC) and one for-profit developer (Elmington Capital Group) used \$3,920,000 in local ARD funds in three different developments across Knoxville: Elmington Capital Group developed 192 units in West Knoxville (Moss Grove Flats); KCDC developed 50 units in East Knoxville (Holston Drive); and McNabb developed 50 units of Permanent Supportive Housing for the elderly in North Knoxville (Dogwood Springs). See the chart below.

Completed in PY2021-2022					
Burlington Commons	Families	0-80% AMI	50	\$1,470,000	Completed
Moss Grove Flats	Families	0-50%,-80% AMI	192	\$950,000	Completed
Dogwood Springs	Permanent Supportive Housing (Elderly)	0-50% AMI	50	\$1,500,000	Completed

There are an additional \$5,900,000 in ARD funds obligated to 210 units currently under construction (see below). Two of the four developments under construction are Permanent Supportive Housing.

Permanent Supportive Housing (PSH) provides permanent housing assistance and supportive services to households where at least one member has a disability in achieving housing stability. Increasing the availability of affordable PSH units in Knoxville is a critical need for the community's efforts to provide pathways to stable housing for individuals who have experienced chronic homelessness and may be struggling with mental illness or addiction. Due to the intensity of services offered by PSH, development of these units is an especially complex challenge requiring partnerships between housing developers and providers of supportive services. Caswell Manor and Dogan-Gaither Flats are expected to be completed in late 2022.

Units Underway					
Development	Target Clientele	AMI	Total Units	ARD Funds	Status
Caswell Manor	Permanent Supportive Housing	0-50% AMI	50	\$1,440,000	Underway
Dogan-Gaither Flats	Permanent Supportive Housing	0-50% AMI	16	\$480,000	Underway
The Ammons	Families	0-60% AMI	80	\$2,000,000	Underway
Inskip Flats	Families	0-60%, -80% AMI	66	\$1,980,000	Underway

When completed, a total of \$14,265,000 in ARD Funds will have been spent on developing 1,049 new affordable rental units, providing a home for more than 1,659 residents in Knoxville. These new rental developments – some large and some small – are located across the city and close to public transit. ARD units meet *Energy Star* standards to keep utility costs affordable.

The City, with its community partners and affordable housing advocates, continues to find new ways to meet the housing needs of its more vulnerable residents. The City increased its commitment to affordable housing in May 2021, by establishing an ordinance creating the Knoxville Affordable Housing

Fund. The Knoxville Affordable Housing Fund is a ten-year, \$50 M commitment to support the creation and preservation of safe, high quality, and affordable housing. Addressing these affordable housing concerns is a priority that supports not only the needs of local families, but also the community's efforts to revitalize neighborhoods that have experienced historical disinvestment, attract new business investment, and support workforce development, recruitment and retention. Beginning in PY2021-2022, the City contributed \$8.105 M, exceeding the \$5 M committed.

Pending City Council approval in September 2022), the City will support the development of 50 PSH units integrated into Phase 3 of First Creek at Austin. These PSH units will be 1-bedroom/1-bath permanent supportive housing for elderly residents with *very low incomes*.

AHF/ARD Units					
Project	Target Clientele	AMI	Total Units	AHF/ARD Funds	Status
First Creek at Austin Homes Phase 1A and 2*	Families	<u>0-80% AMI</u> 0-30% AMI: 30-60% AMI 60-80% AMI	<u>285</u> 88 131 66	\$3,780,000 (AHF)	Phase 1A is complete, Phase 2 is expected to be completed by December 2022
Bell Street Flats, First Creek at Austin* (Phase 3)	Permanent Supportive Housing	0-50% AMI	50	\$1,500,000	Coming before City Council on 9/20/2022
KCDC Five Points Infill/scattered site	Large Families (4- and 5-bedroom units)	0-60% AMI	12	\$360,000	Coming before City Council soon
Not Available	Families	0-80% AMI	Approximately 112	\$2,500,000 (ARD)	In planning phase
Not Available	Permanent Supportive Housing Families		Approximately 58 Approximately 30	\$2.9 M \$900,000	In planning phase

Not Available	Families		Approximately 98	Not Determined	In planning phase
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* Funding is part of a multi-year commitment by the City to contribute a total of \$14,130,000 over four years to support the full redevelopment of Austin Homes.

The City of Knoxville PY2022-2023 budget contributes an estimated \$11,400,000 to the Affordable Housing Fund, with \$8,500,000 allocated from local City funds and an additional \$2,900,000 of Federal funds. The planned fund uses include:

- \$4.2 M – Transforming Western
- \$2.9 M – Permanent Supportive Housing
- \$2.5 M – Affordable Rental Development (ARD)
- \$1.6 M – First Creek at Austin
- \$200 K – East Tennessee Affordable Housing Trust Fund

Goal: Reduce and Prevent Homelessness

Like communities across the nation, Knoxville-Knox County is dealing with the latent effects of the pandemic that have resulted in high inflation, reduced vacancy in rental housing, and soaring rent increases. These factors resulted in a surge of individuals/households falling into homelessness. Knoxville-Knox County experienced a 47% increase in total homeless persons since 2021. Homeless Management Information System (HMIS) analysis continues to show that the top three causes of homelessness for Knoxville-Knox County are 1) the lack of affordable housing, 2) health reasons, and 3) evictions.

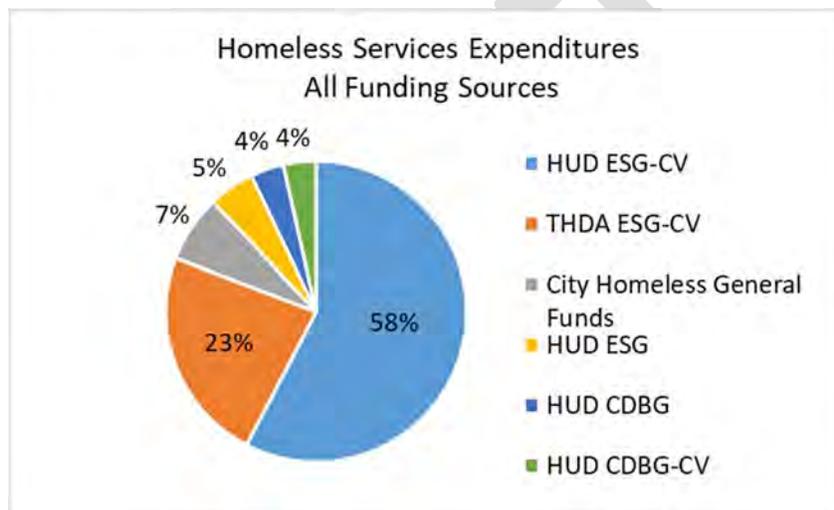
While homelessness is a housing issue with solutions centered on housing and supportive services, development of *new* housing units is just one part of the strategy (see Affordable Housing Accomplishments above). HUD provides state and local governments the opportunity to define strategies in their Continuum of Care (CoC) and Consolidated Plan/Annual Action Plans. The City of Knoxville’s Office on Homelessness (OOH) serves as the Collaborative Applicant for the Knoxville-Knox County CoC (TN-502), made up of local homeless shelter and services providers, and submits a single, comprehensive application for HUD CoC funding annually. Funding is allocated to the CoC grantees directly.

The City of Knoxville also receives HUD Emergency Solutions Grant (ESG) funds to implement strategies based upon five component categories: Street Outreach; Emergency Shelter/Services; Rapid Re-Housing; Homelessness Prevention; and data collection to measure impact of strategies called Homelessness Management Information System (HMIS). The City made a significant commitment as well, contributing local funds for activities that meet one of the ESG component categories (an ESG-required match requirement) and for other activities that do not. Because both Transitional Housing/Services and

Permanent Supportive Housing are not ESG/ESG-CV eligible activities**, the City contributed local funds for these activities.

PY2021-2022 Expenditures (all sources): \$2,779,422.61

- HUD ESG-CV: \$1,603,028.27 (including \$105,284.27 in administrative expenses)
- THDA ESG-CV: \$641,993.04 (including \$33,333 in administrative expenses)
- City of Knoxville PY2021-2022 Homeless General Funds (match): \$150,520.77
- PY2021-2022 HUD ESG: \$136,904.67 (including \$11,268 in administrative expenses)
- HUD CDBG: \$99,000.00
- HUD CDBG-CV: \$97,975.86
- City of Knoxville PY2021-2022 Homeless General Funds (not eligible for ESG match): \$50,000.00



PY2021-2022 Accomplishments

Unsheltered homelessness has continued to increase during the pandemic. Alarming, the number of sheltered homeless individuals is also seeing a sustained surge. In response, the City spent the largest amount (40%) of its total homeless funds on Emergency Shelter/Services serving 2,364 people experiencing literal homelessness. The City subgranted funds, primarily ESG/ESG-CV to non-profit partners providing shelter and services, including: Catholic Charities (serving elderly people); Knoxville-Knox County CAC (serving youth, elderly, and families in non-congregate shelter); the Salvation Army (serving women and children); and the Volunteer Ministry Center (serving individuals). Prior year CDBG funds were also used to provide case management services at The Foyer, the Volunteer Ministry Center's (VMC's) shelter. Emergency Shelter/Services include providing shelter (bed, food, hygiene, etc.) and emergency services (medical, mental health, legal, educational, employment, and housing counseling and referrals, etc.). Services were provided in congregate shelters, such as traditional and *low-barrier* shelters and non-congregate shelter (NCS), such as hotel/motel rooms, to prevent spread of the virus. Personal Protective Equipment (PPE), additional hygiene and cleaning supplies were also provided to people experiencing homelessness in both congregate and non-congregate shelter settings. Renovations of bathrooms at The Foyer (VMC) were also completed in early PY2021. The Knoxville-Knox

County CoC used dynamic prioritization to target Emergency Housing Vouchers (EHVs) to households within non-congregate shelter (NCS), as the program does not have sustainable future funding. The intent is to connect as many households in NCS with permanent housing before the program is closed.

Street Outreach services represents the second largest expenditure (23%) and was expanded and tailored to meet the needs of the growing unsheltered population during the program year. A total of 12 outreach workers in the CoC—9 traditional outreach workers and 3 youth-specific outreach workers – engaged more than 771 unsheltered individuals living outdoors, in cars, vacant buildings, and encampments during PY2021-2022. Street Outreach workers provide food, PPE, hygiene and cleaning supplies as well as counseling and referrals to emergency shelters/services. A mobile shower trailer program was implemented during the program year to improve the health and wellness outcomes for individuals experiencing unsheltered homelessness. Located in the City of Knoxville’s low-barrier, outdoor *Safe Space*, the program provides supervised and secure access to hygiene and laundry services four days/week. This location has Knoxville-Knox County’s highest concentration of unsheltered individuals and provides opportunity for engagement with outreach workers. Outreach workers, outfitted with mobile tablets, conducted coordinated entry assessments onsite with individuals engaging with the program. Challenges include a lack of shelter space, especially non-congregate shelter space.

The City of Knoxville spent 16% of its homelessness services funds in PY2021-2022 on Rapid Re-Housing services to help people who are literally homeless to get into permanent housing. The City provided funding to CAC and VMC to provide outreach and engagement, financial assistance (deposits, rent and utility payments, and relocation expenses), referrals to housing, along with housing stabilization counseling to improve housing sustainability to 1,303 individuals during the program year. By nature of being “homeless”/experiencing homelessness, the individuals and families receiving services are considered to have *very low-income* (within 50% of AMI). Data from HMIS shows that 87% of people served during the program year, who were literally homeless, were *extremely low-income* (within 30% of AMI). Of funded projects, 1031 individuals exited during the program year. Exits to permanent housing total 514, roughly half (49.9%). For those who were able to find permanent housing through RRH projects, the number of days to move-in to was 1 day at its lowest and 276 (close to 9 months) at its longest, with the average being closer to 47 days (1.5 months). While Rapid Re-Housing services is a significant community need, efforts are hampered by the lack of permanent housing options. Both Rapid Re-Housing programs will be continued into the PY2022-2023 year.

Approximately 10% of funds spent during the program year was for Transitional Housing/Services. While not an eligible component category for ESG/ESG-CV funds**, Transitional Housing plays an important role when emergency shelters are at capacity. Transitional Housing provides time-limited housing and services and can be a step between emergency shelter and permanent housing. The City subgranted funds to non-profit partners including: McNabb (serving youth), Next Step Initiative (serving adults); and the YWCA (serving single women). These organizations assisted a total of 333 people with Transitional Housing/Services during the program year. **The YWCA’s program was provided an exemption because it was funded with ESG when the rules changed in PY2010-2011.

Other expenditures during the program year included:

- 6% for Homelessness Management Information System (HMIS) provided by the University of Tennessee’s Social Work Office of Research and Public Service (SWORPS). UT SWORPS provided HMIS-related services including training, tablets for Street Outreach, data collection and analysis, and completed an equity study on the coordinated entry system.
- 5%* for Administration expenses from the City’s PY2021-2022 ESG allocation, HUD ESG-CV allocation, and THDA ESG-CV allocation. *Each HUD funding source has a limit of how much of its allocation may be used for administration expenses: ESG (7.5%); HUD ESG-CV (10%); and THDA ESG-CV (approximately 5%).

Below is a chart showing expenditures on homelessness services across all activities (not just ESG component categories) from all funding sources.



Below is a chart showing expenditures from HUD sources, including ESG-CV/ESG, and CDBG/CDBG-CV public services funds.



Although it is an eligible ESG component category, no ESG/ESG-CV funds were expended for Homelessness Prevention in PY2021-2022. Preventing homelessness through rental and utility assistance, an early (and ongoing) concern during the pandemic, using ESG/ESG-CV was hampered by regulations about what constituted *imminent* homelessness and the nationwide eviction moratorium. CDBG-CV funds, however, with HUD waivers and flexibilities, proved to be much more flexible to use for housing payment assistance. With the addition of Emergency Rental Assistance (ERA) funds through the American Rescue Plan (ARP) Act of 2021, approximately \$55 M was made available to Knox County (including the city of Knoxville) residents impacted by the COVID-19 pandemic. The City continued to allocate CDBG-CV funds in PY2021-2022, primarily to help meet the need for housing stabilization counseling (a gap with the ARP funds). Accomplishments for housing stabilization is included in the next goal.

Goal: Stabilize and Revitalize Neighborhoods

PY2021-2022 HUD Fund Expenditures: \$692,456.23

- \$593,846.86 in CDBG-CV funds
- \$98,609.37 in CDBG funds

PY2021-2022 Accomplishments

Federal funds were expended in four main areas:

- COVID-19 Housing Assistance Program (HAP) - \$318,109
- Case Management to Maintain Housing Stability - \$238,018
- Mobile Meals - \$100,000
- Design and Technical Assistance - \$36,329 (CDBG funds only)



COVID-19 Housing Assistance Program (HAP)

The City's COVID-19 Housing Assistance Program (HAP), developed in the spring of 2020, was the first program in the community offering housing payment assistance for people who lost employment or income due to COVID-19. HAP helped to establish the framework that the programs that came after (ie. ARP Emergency Rental Assistance or ERA) would use and helped local agencies develop the capacity needed to administer these other funds. It also served as a major information transfer point during the pandemic where City departments and nonprofits could communicate about what was working/not working, where there were gaps in services, and resources each entity needed to serve the community.

During PY2021-2022, HAP continued through subgrants to agencies providing services that helped to fill gaps identified with the ARP/ERA funding, including: Housing stability case management services; Rent and utility deposits, etc. for individuals/households not on a lease or currently housed; and Relocation services and financial assistance.

Three non-profit partners assisted 301 households/531 individuals at-risk of homelessness in PY2021-2022. Knoxville-Knox County Community Action Committee (CAC) assisted 30 households/63 individuals who had lost income due to COVID-19 with CDBG-funded rental and mortgage assistance and hundreds more with supportive services and referrals to other funding resources. CONNECT Ministries provided direct financial assistance (an average of \$452 in assistance per household) and housing stabilization counseling to 214 households/369 individuals who lost income due to COVID-19. The Knoxville Area Urban League provided housing stabilization counseling to 57 households/99 individuals. While CAC's program ended in March 2022, both CONNECT Ministries and KAUL will continue their programs through September 2022.

Of the total households receiving assistance from the COVID-19 Housing Assistance Program (HAP), 74% had *extremely low-income* (up to 30% of AMI), 18% had very low-income (up to 50% of AMI), and 8%

had *low-income* (up to 80% of AMI) documented at the time of application to the programs.

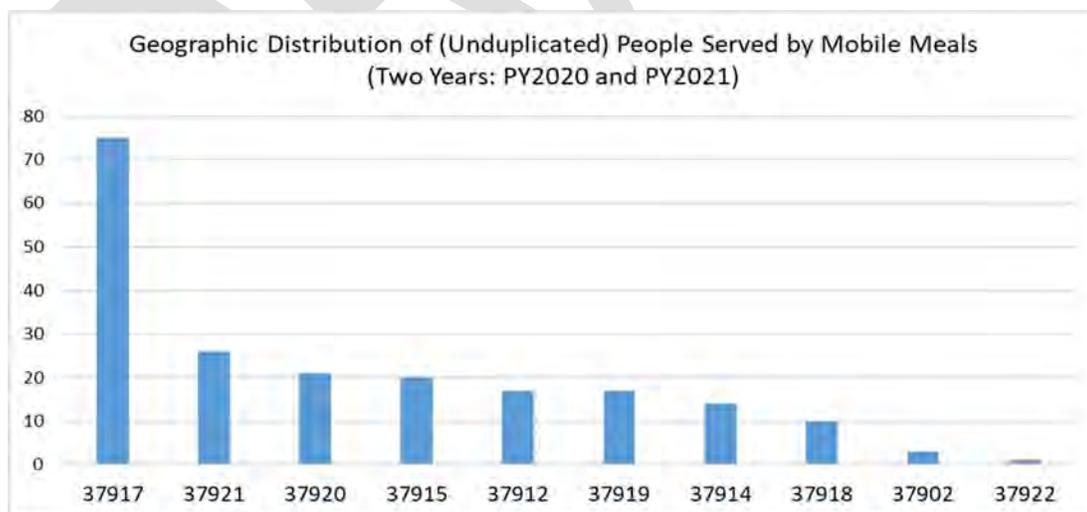
Case Management to Maintain Housing Stability

The City subgranted federal funds to two agencies providing case management services to particularly vulnerable low- and moderate-income individuals – Knoxville Leadership Foundation’s Bright Futures program (serving youth aging out of foster care and LMI individuals who lost income due to COVID-19) and HomeSource East Tennessee (serving elderly people). The Bright Futures program assisted **121** individuals from April 1, 2021 to July 1, 2022, and expects to serve an additional 43 individuals through November 30, 2022. HomeSource East Tennessee provided housing stability case management to 20 elderly renters who live in one of HomeSource's senior housing developments.

Mobile Meals

Many lower-income households, including those headed by the elderly and individuals with disabilities, were already struggling prior to the onset of the pandemic. The pandemic has had a larger impact on these particularly vulnerable populations, especially when it comes to food security. The need for social distancing, fear of contracting COVID-19 in public places like grocery stores, as well as financial need exacerbated during the pandemic, means that many more people are food insecure. During the second year of the pandemic, CAC continued to see an increase in the number of individuals in the community who need access to this service.

The City contributed HUD CARES Act CDBG-CV funds to CAC’s Mobile Meals program in PY2021-2022. The Mobile Meals program provided daily nutritious meals to 204 homebound seniors and people with disabilities having *extremely low-income* and *very low-incomes*.



Design and Technical Assistance

Other actions under this goal include Design and Technical Assistance to businesses and community groups working to revitalize the City's redevelopment areas and the stabilization of blighted properties in low- and moderate-income (LMI) neighborhoods.

The City subgranted CDBG funds to the East Tennessee Community Design Center (ETCDC). ETCDC provided technical assistance to 11 community-enhancement projects: Concept development for three park/greenway improvements (William Powell Park, First Creek, and Gary Underwood Park); Concept design and technical assistance for two non-profits (Autism Breakthrough and Community Collaborative/MLK); Design assistance for two facade renovation projects for businesses in redevelopment areas (E. Fifth Avenue and Asheville Highway); two Façade Enhancement activities; and Review assistance for two infill housing activities.

While the City's Blighted Property Improvements program continues, the City of Knoxville ceased using CDBG funds for the project in PY2021-2022.

Goal: Create Economic Opportunity

The construction trades became even more important during the pandemic with significant labor shortages.

In June 2021, the Sycamore Institute reported that Tennessee saw a 40% decrease in the number of small businesses during the pandemic. Low-income positions in the Hospitality and Leisure Sectors were especially hard hit. These economic hardships disproportionately affected Black Tennesseans, women, and young adults.² With additional funds from the CARES Act, American Rescue Plan, and local General Funds, the City of Knoxville is making significant investments in local recovery projects to reduce, respond to, and prepare for the COVID-19 pandemic and its economic ramifications.

PY2021-2022 Accomplishments:

The City subgranted CDBG funds to two non-profit organizations during the program year to provide workforce development and one non-profit organization to provide case management and financial coaching.

Neighborhood Housing Inc.'s KnoxWorx Program provided 80 individuals with pre-apprenticeship training, targeting Knoxville's disadvantaged young adults from city neighborhoods surrounding West, Austin East, and Fulton High Schools. Program participants choose between career tracts in construction, food service, hospitality and tourism, and the medical industry. All participants received in-

² The Sycamore Institute <https://www.sycamoreinstitutetn.org/tennessee-covid-economic-recovery/>

house soft skills training, and opportunities to earn their GED. Of the 80 individuals served, 82.5% had *extremely low-income* (within 30% of AMI), 10% had *very low-income* (within 50% of AMI), and 7.5% had *low-income* (within 80% AMI).

Knoxville Area Urban League’s Workforce Development Enhancement Initiative supported 56 justice-involved individuals as they re-enter the workforce with pre-release and post-release services, R.E.S.P.E.C.T. (Re-entry Employment Services Program Employers Can Trust), and soft skills training. The core purpose of the program is to help low- to moderate-income individuals reach financial stability and move up the economic ladder through workforce/employment soft and hard skills training and coaching support. This program also provided workforce development resources to individuals who lost work or income due to COVID-19. Of the 56 people served, 78.5% had *extremely low-income* (within 30% of AMI), 14% had *very low-income* (within 50% of AMI) and 7% had *low-income* (within 80% AMI).

The Salvation Army provided long-term case management and financial coaching to six families with at least one child under 18 years old (or 18 individuals), all had *very low-income* (within 50% of AMI)

Construction work through CDBG-funded emergency and minor home repair programs supported nine Section 3 Workers and three Targeted Section 3 Workers, creating a total of 3,088 Section 3 Worker Hours and 982.25 Section 3 Targeted Worker Hours. Other HUD-funded construction activities (housing rehabilitation and new construction) supported two Section 3 Workers by paying for 385.5 Section 3 Worker labor hours. NHI’s CDBG-funded KnoxWorx workforce development program trained 80 disenfranchised, young adults (also Targeted Section 3 Workers).

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

See Attachment 2, Table 1

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

By the end of PY2021-2022, the City had spent less of its available HUD funding on affordable housing activities than it had planned. While applications for owner-occupied housing rehabilitation increased from the previous year, constructions costs were much higher than before the pandemic, and the work

took significantly longer to complete. The City planned to assist 16 low- and moderate-income (LMI) homeowners with substantial rehabilitation (in excess of \$25K) and, while half that amount were started, only three were completed (five are still under construction). The goals for increasing owner-occupied housing by Community Housing Development Organizations (CHDOs) were also not realized due to high construction costs and rising land values, as well. CHDOs anticipated acquiring and rehabilitating or constructing 10 homes to sell to LMI homebuyers and completed three (two others are under construction). Down payment assistance to purchasers of CHDO-developed housing, likewise, were less than planned. Funds were set aside to assist 10 LMI homebuyers, but with less housing completed for purchase (and at higher prices, despite the subsidy), only two households were assisted. Despite the challenges of this environment, several non-profit organizations utilized trainees, volunteers, and subcontractors to complete emergency and minor home repairs (typically less than \$5K per house) at about the same rate/cost as previous years: 190 units were planned and 184 were completed.

Despite the challenges with owner-occupied housing, CHDOs (and others) spent about \$100k more than budgeted yet completed four times the number of rental housing rehabilitation units as planned (19 units planned, 74 completed). Some of this was due to three multi-family rental rehabilitation projects started in the previous year but completing during the 2021-2022 program year.

Community Development Block Grant (CDBG) and CARES Act supplemental CDBG (CDBG-CV) Funds

CDBG funds are the most flexible HUD funding source and can fund a wide range of projects/activities from affordable housing acquisition and rehabilitation, public facility and infrastructure, and economic development to public services (though public services are capped to 15%). Funds can also be spent on grant administration (capped at 20%). HUD lifted the 15% cap for CDBG-CV funds (and for PY2019-2020 and PY2020-2021 CDBG funds) in order to *prevent, prepare for, and respond to COVID-19*.

The total amount of CDBG (including CDBG-CV) available to commit in PY2021-2022 was \$4,313,112.03: \$1,814,182 from the PY2021-2022 HUD CDBG allocation; \$1,999,143.88 in CARES Act supplemental CDBG (CDBG-CV) Round 1 and Round 3 funds³; \$399,786.15 in unspent prior year funds; and \$100,000 in estimated program income. The City spent a total of \$2,601,458.76 (~60%) of these funds during the year, \$1,711,653.27 less than what was budgeted. See below for a comparison of CDBG budgeted and spent. * HOME commitments and expenditures, as well as goals and accomplishments are listed in section CR-15.

Goal: Enhance the Availability, Accessibility, and Quality of Affordable Housing

Budgeted: \$1,341,638.55

Actual: \$1,084,104.19

Difference: \$257,534.36 less

Goal: 190 households assisted

Accomplished: 186 households assisted

Difference: 4 fewer households assisted

³ Knoxville did not receive CARES Act HUD supplemental CDBG (CDBG-CV) Round 2 funds

Construction costs and delays in receiving construction materials help explain the difference in funds spent and units completed.

Goal: Reduce and Prevent Homelessness

Budgeted: \$469,689.09	Goal: 146 people assisted
Actual: \$196,975.86	Accomplished: 170 people assisted
Difference: \$272,713.23 less	Difference: 24 more people assisted

Funds that were committed to transitional housing for youth experiencing homelessness failed to get off the ground, and after several months went by and technical assistance given without resolving the capacity problems, the budget was scaled back. The other activity, case management at The Foyer, exceeded its goal of people served.

Goal: Stabilize and Revitalize Neighborhoods

(includes COVID-19 HAP, Mobile Meals)

Budgeted: \$1,356,755.88	Goals: 1,981 individuals and 13 organizations assisted
Actual: \$692,456.23	Accomplished: 1,002 individuals and 11 organizations
Difference: \$664,299.65 less	Difference: 979 less individuals and 2 less organizations assisted

The difference can be explained by CDBG-CV funded projects that failed to get started and after technical assistance failed, were cancelled, as well as the expansion of CAC's Mobile Meals kitchen (\$350,000 in CDBG and CDBG-CV) was delayed due to bids that exceeded estimates. Other funds have been added from Knox County and the project is expected to be completed in PY2022-2023.

Goal: Create Economic Opportunity

Budgeted: \$336,105.00	Goal: 135 people assisted
Actual: \$276,105.00	Accomplished: 154 people served
Difference: \$60,000 less	Difference: 19 more people served

One of the three activities failed to start due to capacity issues/personnel illness and, after technical assistance was provided, was able to continue with a reduced budget and accomplishment goal.

CDBG and CDBG-CV Administrative Costs

Budgeted: \$701,916.50 (a maximum of 20% is allowed, but 16% was budgeted)
Actual: \$351,817.48 (8% was spent)
Difference: \$350,099.02 less

Emergency Solutions Grant (ESG) and CARES Act supplemental ESG (ESG-CV) Funds

ESG funds may only be used for activities addressing homelessness in the following component categories: Street Outreach, Emergency Shelter/Services, Rapid Re-Housing, Homelessness Prevention and Homelessness Management Information System (HMIS). Neither Transitional nor Permanent Supportive Housing (PSH) may be funded with ESG. HUD also has a 60% cap on Street Outreach and Emergency Shelter/Services. Up to 7.5% of ESG funds may be used for grant administration. HUD provided flexibility with ESG-CV funds (including lifting the 60% cap and allowing up to 10% of funds to be used for grant administration, among others), *to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.*

The total amount of ESG (including ESG-CV) available to commit in PY2021-2022 was \$2,200,173.79: \$150,252 from the PY2021-2022 HUD ESG allocation and \$2,049,921.79 in CARES Act supplemental ESG (ESG-CV) Round 1 and Round 2 funds remained to be spent. The City spent a total of \$1,739,932.94 (~80%) of these funds during the year, \$460,240.85 less than what was budgeted. See below for a comparison of ESG budgeted and spent.

Goal: Reduce and Prevent Homelessness

Budgeted: \$2,200,173.79

Actual: \$1,739,932.94

Difference: \$460,240.85 less

Goal: 2,332 individuals assisted

Accomplished: 4,192 individuals assisted

Difference: 1,860 **more** individuals assisted

Initially, when the duration of the pandemic was expected to be short, HUD had set a January 2022 deadline for the full expenditure of ESG-CV funds for Emergency Shelter/Services. Like grantees across the nation, the City allocated a larger amount of federal funds to other component categories, Rapid Re-Housing and Street Outreach, that had a September 2022 deadline. This meant that critical services would end in the middle of winter and during, what turned out to be, another peak in community spread of variants of the virus. HUD eventually gave an extension (September 2023 for all component categories) and grantees, including the City of Knoxville, scrambled to reallocate funds from Rapid Re-Housing and Street Outreach to Emergency Shelter/Services. Thus, the City submitted an amendment to its PY2019-2020 Action Plan to reallocate unspent supplemental ESG (ESG-CV) funds from Rapid Re-Housing, Street Outreach, and Homelessness Prevention to Emergency Shelter/Services (with the addition of non-congregate shelter (NCS)). The City also submitted an amendment to its PY2019-2020 Action Plan to reallocate unspent CDBG-CV funds to Homeless Services. The City has likewise continued to be responsive to the needs in the community by shifting strategies and resources. At times, changing strategy means reducing or ending funding to programs that were not able to perform in this challenging environment.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	803	36
Black or African American	668	40
Asian	1	0
American Indian or American Native	0	0
Native Hawaiian or Other Pacific Islander	0	0
Total	1,472	76
Hispanic	11	1
Not Hispanic	1,461	75

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The City and its subrecipient partners served a total of 1,278 households with CDBG funds, though CDBG demographics were tracked by number of people (1,510 people). Not shown in the table above are people who identify as: 32 “Other” race(s); 5 Black/African American and White/Caucasian; and 1 American Indian/Alaskan Native and White/Caucasian who were assisted with CDBG funds.

A total of 77 households (not individuals) were served with HOME funds. Not included in the table above is one household that identified as American Indian/Native Alaskan and Black/African American.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	2,313,968	2,601,459
HOME	public - federal	3,184,360	1,516,818
Other - ESG	public - federal	2,200,174	1,739,933

Table 3 - Resources Made Available

Narrative

The U.S. Department of Housing and Urban Development (HUD) allocated **\$3,089,305** to the City of Knoxville for its *regular* annual allotment of Community Development Block Grant (CDBG), Emergency

Solutions Grant (ESG) and HOME Investment Partnerships Grant (HOME) funds.

Regular PY2021-2022 HUD Allocations to the City of Knoxville

• CDBG	\$1,814,182
• HOME	\$1,124,871
• <u>ESG</u>	<u>\$ 150,252</u>
	\$3,089,305

CARES Act Supplemental (-CV funds) Allocations to the City of Knoxville

	Allocation	Expenditures PY2021-2022	Balance
• CDBG-CV	\$2,889,714.00	\$ 890,570.12	\$1,999,143.88 (69.2%)
• ESG-CV	\$2,734,864.00	\$ 684,942.21	\$2,049,921.79 (74.9%)

Other resources include **\$2,559,274.69** in unexpended prior year funds: CDBG (\$499,786.15), HOME and HOME program income (\$2,059,488.54). More program income was received (**\$776,145.62**) than had been estimated (\$500,000) in the PY2021-2022 Annual Action Plan, by \$276,145.62.

• Unexpended Prior Year funds		
CDBG EN		\$ 449,786.15
HOME EN and Program Income		<u>\$2,059,488.54</u>
		\$2,559,274.69
• PY2021-2022 Program Income Estimated		
	CDBG	\$ 100,000
	HOME	<u>\$ 500,000</u>
		\$ 600,000
		\$9,697,645.36

The City of Knoxville had Community Development Block Grant (CDBG) resources of **\$4,313,112.03** available in PY2021-2022: A HUD CDBG allocation of \$1,814,182 for PY2021-2022; in remaining HUD CARES Act CDBG-CV funds in the amount of \$1,999,143.88; CDBG program income in the amount of \$116,091.30; and \$399,786.15 in unspent CDBG from prior years. CDBG funds in the amount of **\$2,601,458.76** were spent on: Emergency and Minor Home Repairs (\$762,050 or 29%); Administration (\$351,817.48 or 8%); COVID-19 Housing Assistance Program (\$318,109.45 or 7%); Housing

Rehabilitation/Development activities (\$296,054.19 or < 11%); Workforce Development (\$276,105 or 6%); Case Management for Housing Stability (\$238,018.01 or 5.5%); Homeless Services (\$196,975.86 or 4.5%); Mobile Meals (\$100,000 or 2%); Design and Technical Assistance (\$36,328.77 or 1%); and Down Payment Assistance and Rehabilitation (\$26,000 or <1%). Remaining CDBG funds (\$1,711,653.27) are committed to projects that have not yet completed or are budgeted to PY2022-2023 activities.

The City had HOME Investment Partnerships (HOME) resources of **\$3,184,359.54**: A HUD allocation of \$1,124,871; \$500,000 in estimated HOME program income and \$1,559,488.54 in unspent prior year HOME and HOME program income. The City spent **\$1,516,818.10** (100%) of its HOME funds on affordable housing activities: CHDO-developed or rehabilitated rental housing (\$606,692.58 or 40%); Owner-occupied rehabilitation (\$371,508.28 or 24.5%); Program delivery expenses (\$205,063 or 6%); CHDO-developed or rehabilitated owner-occupied housing (\$186,237 or 12%); Rental housing rehabilitation (\$120,604.24 or 8%); and Down payment assistance (\$26,713 or < 1%) during the program year. HOME funds remaining (\$1,667,541.44) are committed to projects that have not yet been completed or are budgeted to PY2022-2023 activities.

The City had total Emergency Solutions Grant (ESG) resources of **\$2,200,173.79** available in PY2021-2022: a HUD ESG allocation of \$150,252 and remaining HUD CARES Act ESG-CV funds of \$2,049,921.79. The City spent **\$1,739,932.94** in ESG funds on: Emergency Shelter/Services (\$770,269.57 or 44%); Rapid Re-Housing (\$437,498.62 or 25%); Street Outreach (\$199,230.33 or 11.5%); Transitional Housing ** (\$92,509.40 or 5%); HMIS (\$123,872.75 or 7%); and Program administration (\$116,552.27 or 7%). ESG funds remaining (\$460,240.85) are committed to projects that have not yet completed or are budgeted to PY2021-2022 activities. **The YWCA’s program was provided an exemption because it was funded with ESG when the rules changed in PY2010-2011.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City of Knoxville	100	100	Geographic Target Area 1

Table 4 – Identify the geographic distribution and location of investments

Narrative

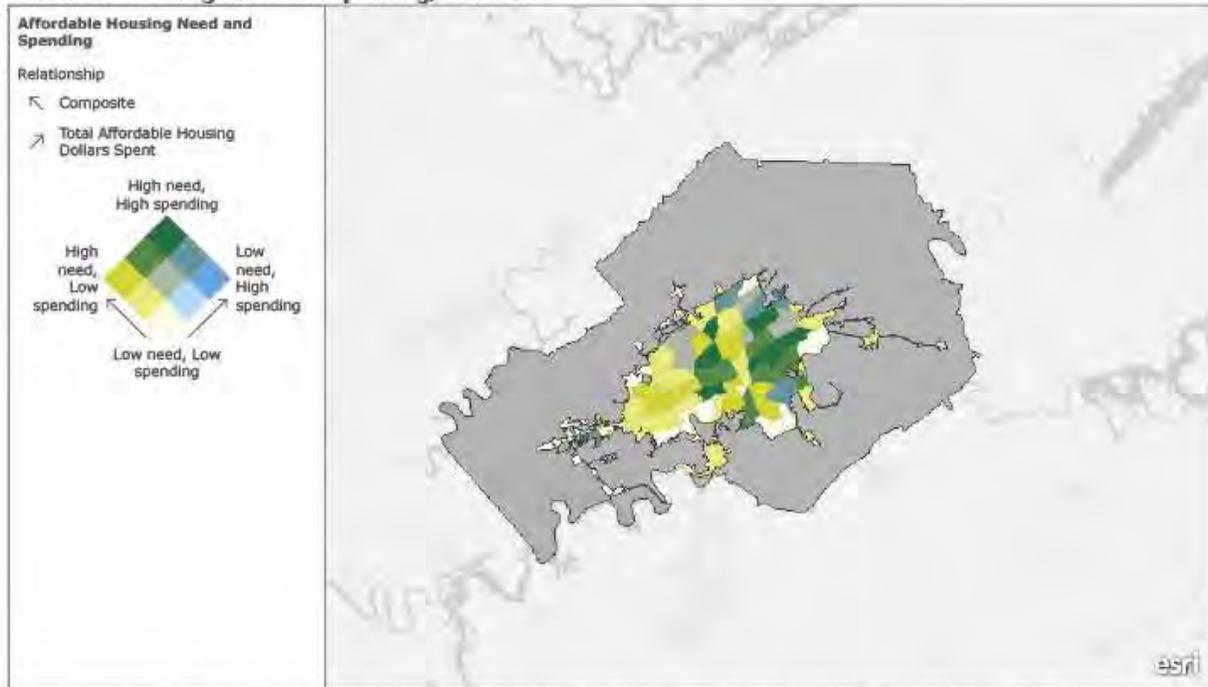
As land values continue to increase, developers of new housing are challenged to find properties that are buildable, available, correctly zoned (or can be), and affordable to construct – not to mention managing complex funding requirements and deadlines. The City also requires that ARD/AHF-funded projects be accessible to public transit. Community Housing Development Organizations (CHDOs) and other non-profit developers acquiring existing housing for HUD-funded substantial rehabilitation, for rent or sale, face equally challenging obstacles. Managing construction costs and the “unknowns” of

existing building conditions, keeping costs low to keep units affordable to LMI households within HUD subsidy limits, and not displacing current residents (if present), as well as finding homes/properties in neighborhoods in which people desire to live, are some of these.

Housing activities where LMI households complete applications for assistance, such as owner-occupied housing rehabilitation and emergency/minor home repair, likewise, occur anywhere within the city. While preference cannot be given to applicants based on location (or any other factor, other than program eligibility requirements regarding income, credit, work needed, etc.), the City affirmatively markets its programs to Census Tracts with a higher proportion of minority populations.

Below is a map based on the composite of *housing need* criteria and affordable housing dollars spent in the program year. Affordable *housing need* is quantified using a composite score that factors in the share of the population living in poverty, the share of families with low-income ($\leq 80\%$ of Area Median Income), and the share of households with selected *Housing Conditions*, including incomplete kitchens or plumbing, housing cost burden, and overcrowding in homes.

Affordable Housing Need and Spending, PY2021



Affordable housing dollars spent by census tract compared to social need for affordable housing. Affordable housing need is quantified using a composite score that factors in the share of the population living in poverty, the share of families with a low income, and the share of households with selected housing quality conditions, including incomplete kitchens or plumbing, housing cost burden, and overcrowding in homes.

Esri, HERE, Garmin, USGS, EPA, NPS

The City has several redevelopment areas that are part of a larger investment that the City has been participating in for years. These are areas that have a larger share of low-income households/high concentration of poverty, a larger share of substandard and aging housing stock, lack of services and amenities, and blighted conditions. These conditions often overlap resulting in low opportunity, low

accessibility, and high vulnerability of its residents. Multiple funding sources are used and partners, such as Knoxville's Community Development Corporation (KCDC), initiate redevelopment efforts. In the former Austin Homes community, for example, the City is supporting KCDC's efforts by committing local general funds for infrastructure, etc.. The City also supports housing rehabilitation activities within these neighborhoods and is working to acquire and maintain blighted properties for future development potential. The City spent local general funds to support economic development initiatives in neighborhoods and redevelopment areas that are located within or adjacent to low- and moderate-income areas (LMAs) and redevelopment areas. The locally funded Commercial Facade Improvement program supports the renovation of blighted buildings into viable businesses in redevelopment areas. Neighborhood Housing Inc.'s CDBG-funded KnoxWorx program provided 80 individuals with pre-apprenticeship training, targeting Knoxville's disadvantaged young adults from inner city neighborhoods surrounding West, Austin East, and Fulton High Schools.

DRAFT

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

LMI homeowners receiving owner-occupied housing rehabilitation through the City paid back \$910,301.42 (from all sources, except other federally funded Covid-19 mortgage assistance payments) in loan payments and interest in PY2021-2012, funding more loans for LMI homeowners and affordable rental housing owners/developers and supporting grants to LMI households for emergency home repairs through the CAC. CAC leveraged \$382,123.84. Neighborhood Housing, Inc. (NHI) Operation Backyard contributed \$99,000 in local funds and volunteer labor from several area churches, agencies and businesses to leverage CDBG funds from for minor home repairs and accessibility improvements for LMI homeowners and renters. Leveraged HOME funds for the program year include: \$346,127.06 from CHDO homebuyers; \$1,598,949 in contributions from CHDO housing developers; \$349,553.53 from CHDO developers; \$3,401.05 from Owner Occupied Rehabilitation; and \$1,357,324.20 from non-CHDO rental projects. Finally, the City contributed \$5,030,285.17 in local funds in PY2021-2022 through the Affordable Rental Development (ARD) Fund.

CONNECT Ministries provided \$20,000 and CAC provided \$2,014 in leverage for the COVID-19 Housing Assistance Program. CAC provided \$310,120 in leverage for the Mobile Meals program.

The NHI Workforce Development program leveraged \$622,693.61 in other funds from the Department of Labor's YouthBuild Program, and monetary and in-kind donations. The Salvation Army leveraged \$58,186. The East Tennessee Community Design Center contributed \$88,000 in volunteer labor to support their design and technical assistance program.

Other social service agencies contributed funds for CDBG and CDBG-CV public services, including McNabb (\$78,118), KLF Bright Futures (\$57,315), and HomeSource ET (\$7,460).

The City matched contributed \$201,000 in local homeless general funds in PY2021-2022. These dollars funded agencies providing: Emergency Shelter/Services, Transitional Housing/Services, support for CHAMP (the Coordinated Entry System) and Homeless Management Information System (KnoxHMIS). The agencies funded reported leveraging \$1,613,330.96 in other funding.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	4,619,459.19
2. Match contributed during current Federal fiscal year	967,689.08
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	5,587,148.27
4. Match liability for current Federal fiscal year	86,273.79
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	5,500,874.48

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
Moss Grove	11/10/2021	950,000						950,000
Connecticut Avenue	1/25/2022					8,088.42		8,088.42
Katherine Avenue	9/9/2021					9,600.66		9,600.66
Linden Avenue	6/15/2021 (not reported for PY2020-2021)					5,949.19		5,949.19

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$	\$	\$	\$	\$
1,255,653	776,146	556,600	0	1,475,200

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	593,484.38	0	0	0	0	593,484.38
Number	25	0	0	0	0	25
Sub-Contracts						
Number	12	0	0	0	0	12
Dollar Amount	568,521.81	0	0	0	0	568,521.81
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	593,484.38	119,170.35	474,314.03			
Number	25	6	19			
Sub-Contracts						
Number	12	2	10			
Dollar Amount	568,521.81	23,468.52	545,053.29			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	6	0	0	2	0	4
Dollar Amount	727,296.82	0	0	53,250.00	0	674,046.82

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0	0			
Businesses Displaced		0	0			
Nonprofit Organizations Displaced		0	0			
Households Temporarily Relocated, not Displaced		3		\$25,217.16		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	403	1,303
Number of Non-Homeless households to be provided affordable housing units	210	226
Number of Special-Needs households to be provided affordable housing units	35	39
Total	648	1,568

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	485	1,735
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	235	263
Number of households supported through Acquisition of Existing Units	10	2
Total	730	2,000

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City and its subgrantees exceeded its goals, described in the tables above, in every area except for acquisition of existing units.

The difference between the goal and actual number for acquisition of existing units is primarily due to rising home values. The City conducted an analysis of single-family, existing home sales and found that from November 2021 through January 2022, the median sales price rose just over 10% (\$19,750 increase) and through March 2022, the median sales price rose to 14.6% (\$28,300 increase). Affordable housing developers, Community Housing Development Organizations (CHDOs) and HOME grantees are struggling to keep affordable housing costs under the HOME Maximum Purchase Price/After Rehab Value limits (not exceeding 95 percent of the area median purchase price for single family housing, as determined by HUD).

Discuss how these outcomes will impact future annual action plans.

Certainly, skyrocketing home sales costs is not a local, or even regional, phenomena. HUD revised its FY2022 HOME and Housing Trust Fund (HTF) Homeownership Value Limits effective June 1, 2022. In Knoxville, the median sales price was raised to \$235,000. The 95% limit after rehab value then of that being raised to \$223,000. This certainly helps with owner-occupied rehabilitation, but still presents challenges for CHDOs and others acquiring and rehabilitating properties for sale to low- and moderate-income homebuyers.

The City will continue offering its HOME-funded down payment assistance program to purchasers of CHDO-developed affordable housing, but expects rising home sales costs to continue into the future.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	1,034	52
Low-income	401	20
Moderate-income	77	5
Total	1,512	77

***Table 13 – Number of Households Served**

* 1 HOME unit is vacant

This table reflects the amount of assistance given to the most vulnerable, *extremely low-income* households during the program year.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Knoxville supported direct outreach to unsheltered homeless individuals through a number of initiatives. Using \$135,955 in local funds, the City supported two street outreach social workers at the Volunteer Ministry Center, focusing on unsheltered, chronically homeless persons in the areas near downtown Knoxville. This program specializes in connecting with people who are typically more resistant to shelter and social service programs and, through continued engagement, encourage them to access resources designed to help them quickly access appropriate permanent housing, along with needed supportive services. Using HUD ESG-CV funding, the City expanded this program with four more outreach workers. The City also maintained an outdoor daytime "safe space" in close proximity to emergency shelter and other social service resources. The Safe Space includes access to portable and permanent restroom facilities, is monitored by security, and serves as a place to connect with social services outreach.

In addition, through \$90,452 in local funding, the City supports a Coordinated Entry System (CES), managed by the University of Tennessee's Social Work Office of Research and Public Service, in conjunction with Knoxville's Homeless Management Information System (KnoxHMIS). CES coordinates a multi-agency standardized intake system that is used to assess individual needs and vulnerability, giving priority for housing and other resources to those with the greatest need and vulnerability. CES coordinates regular multi-agency case coordination meetings and street outreach coordination meetings to assure vulnerable unsheltered populations are being engaged and directed to permanent supportive housing as well as other appropriate housing and social services.

The COVID-19 pandemic has had an enormous impact on the unsheltered population and the services to meet their needs. As with other localities, Knoxville followed CDC guidelines and worked to encourage unsheltered persons to socially distance and follow other pandemic-related guidelines. The City and partner social service agencies worked to adapt shelters and social services to follow pandemic protocols and to carry out their services in this new context. The City of Knoxville and then the Knox County Health Department have supported a non-congregate "Guest House" shelter, first operated by Volunteer Ministry Center, and now by the Salvation Army to provide short-term shelter for people experiencing homelessness who need to quarantine.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Knoxville, with \$99,000 in CDBG funding, supported *The Foyer*, a low-barrier shelter operated by Volunteer Ministry Center. The Foyer provides up to 30 shelter beds for persons who have been resistant to or unable to access other shelter options in this community. Through referrals from street outreach, people who have been unsheltered, often for extended periods, are given the option to come

to this smaller shelter space, where they can also be connected to housing-focused case management. The Foyer is even able to accommodate people with pets, often a reason some people will not otherwise engage with emergency shelter. The City supported, using ESG-CV funds, the Knoxville-Knox County CAC's work to provide non-congregate shelter using hotels and motels during the pandemic.

Additionally, the City used \$351,971 in combined local general funds and HUD resources to support emergency shelter/services and transitional housing/services through: Catholic Charities Samaritan Place, Salvation Army Joy Baker Center, VMC Day Resource Center and dental services, and the YWCA. In addition to providing shelter, each agency provided case management, counseling, life skills workshops, educational training, job referrals and networking for housing opportunities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City used CDBG resources to support homelessness assistance and prevention activities during the pandemic in the program year. CAC, Connect Ministries, and the Knoxville Area Urban League all provided assistance and programming to prevent vulnerable individuals and families from losing their housing during the pandemic.

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

Rapid Re-Housing services were provided through CAC's Homeward Bound Program and the Volunteer Ministry Center (VMC) with ESG and ESG-CV funding. These programs worked to provide quick housing placements and case management services for both individuals and families during the pandemic.

For rapid re-housing programs, time to housing has remained roughly the same as the previous year, due primarily to the COVID-19 pandemic and the tightening housing market. Several new initiatives, including Knox County's Knox Housing Assistance ERA Program and the United Way's new Housing Navigator program, along with HUD-funded Rapid Re-Housing programs, are working collaboratively with the Coordinated Entry System (CHAMP) to identify and prioritize those in most need of support.

Emergency shelter programs saw a rise in "time to exit" from these programs over last year, while

Transitional Housing’s “time to exit” decreased. Returns to homelessness from a positive housing placement was relatively stable, ring 1.05% from the prior year’s status. The negative supply of affordable housing and permanent supportive housing stock continues to be a primary challenge for moving people off the streets as quickly as desired. UT’s SWORPS program, that manages KnoxHMIS, also facilitates Knoxville’s Coordinated Housing Assessment Match Plan (CHAMP), which aims to quickly assess the needs and strengths of those experiencing homelessness to better match them to the most appropriate community resource. Knoxville’s CHAMP system is adapting a new intake and prioritization tool from a best practice in Houston, Texas to measure individual needs and help with proper housing and services placement.

The lack of sufficient affordable housing stock continues to be a significant barrier to reducing “time to housing” and ending homelessness. The City of Knoxville is working to address this need through the initiatives described above, as well as its locally funded Affordable Rental Development (ARD) Fund, its HUD-funded Rental Housing Rehabilitation program, and CHDO-developed rental housing.

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CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Knoxville's Community Development Corporation (KCDC) is the redevelopment and public housing authority for the City of Knoxville and Knox County, Tennessee. Between KCDC managed units and vouchers, over 7,200 families are served each year. Currently KCDC's affordable housing falls under one or more of the below housing programs: Multifamily Project-Based Rental Assistance; State Tax Credits; Low-Income Public Housing; Housing Choice Vouchers; Project Based Vouchers; and Mod-Rehab.

KCDC has primarily used the Capital Fund Program and Replacement Housing Fund grants to improve and replace deteriorating housing. To offset the lack of federal dollars, KCDC began converting public housing within the City and County via the Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) program in 2016; during the current reporting period, KCDC has converted an additional property to RAD PBRA—Northgate Terrace—and has completed a RAD application for half of the single Low-Income Public Housing (LIPH) remaining property, Western Heights. This deal will close by late 2022. Such conversions mean KCDC has the same options available as the private sector and allows providers to leverage private capital markets to make capital improvements in the public housing stock.

KCDC has completed several of the other RAD-related rehab projects during this reporting period to include Love Towers, Cagle, and Isabella. Lease up of vacant units has been going on throughout the fiscal year. KCDC has additionally completed the first phase of new construction on Austin Homes' former site of the first 105 units. These are close to 100% occupancy. This is part of a Master Plan for that community. The result will be a total of over 400 mixed income units added back to the neighborhood by approximately 2024. All tenants who moved off site were able to return to the site once the first 105 units were completed.

Western Heights began a neighborhood redevelopment plan during the program year; including the addition of a Head Start facility onsite. The plan will help not only address housing, but also other needs of neighborhoods. Resident involvement was particularly heavy during the program year as these plans were developed.

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

Residents participated and provided feedback related to KCDC's planning and implementation of projects through the Knoxville Tenant Council, site-based resident associations, Resident Neighborhood Planning Initiatives, and the Section 8 Advisory Board.

Section 8 worked with 211 participants who have completed KCDC's homeownership program as of June 2022. KCDC sets an annual goal of at least 10 additional participants being added as homeowners from

this program each year.

Actions taken to provide assistance to troubled PHAs

KCDC is not designated as a troubled housing authority.

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City has undertaken the actions described in the PY2020-2024 Strategic Plan and the PY2021-2022 Action Plan, as described above, including marketing an increasing number of parcels through its locally funded Homemaker's Program, correcting obstacles before sale to developers, acquiring abandoned property and clearing titles, and offering subsidies to facilitate affordable development. The changes made to the City's Zoning Code in recent years also increased opportunities for the development of housing.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City is addressing unmet needs through its use of HUD funds, by contributing a significant amount of its own local funds, and finding innovative ways to collaborate with other community organizations to:

- Increase the supply of new, affordable housing in all areas of the city, especially for vulnerable populations;
- Help improve the quality of the existing affordable housing stock and prevent displacement of LMI homeowners and renters in neighborhoods (including redevelopment areas) by providing housing rehabilitation, emergency and minor home repairs, weatherization/energy efficiency, accessibility modifications, and lead-based paint education and abatement;
- Ensure quality in its development and revitalization projects that provide opportunities for LMI job-seekers, as well as small and minority- and women-owned businesses; and
- Support its partners in preventing and ending homelessness; and generally, to improve the quality of life in the city for all residents.

Addressing the need for affordable rental housing continued to be the City's highest priority for assisting LMI residents. In May of 2021, City Council passed an ordinance to amend the City Code and create the Knoxville Affordable Housing Fund (The Fund) that established a foundation for long-term continued investment to advance affordable housing opportunities. Developed in response to and in partnership with local housing advocates, and with input and guidance of local housing stakeholders and experts, the Fund builds upon the City's long and successful history of promoting affordable housing through the ARDF, the East Tennessee Foundation's Affordable Housing Trust Fund and many capital project investments led by private and public housing providers. The Fund establishes a minimum contribution of \$5 million per year for 10 years to support affordable housing needs of individuals and families of low- and moderate-income households. The support for the fund will come from annually appropriated City budget dollars.

The City spent \$5,030,285.17 in Affordable Rental Development (ARD) funds on seven developments during the program year, three (292 units) of which were completed in PY2021-2022:

1. Elmington Capital Group's Moss Grove Flats with 192 units, including 46 units for households having 50% AMI and below;
2. Burlington Commons with 50 units, and
3. McNabb's Dogwood Springs with 50 units for elderly households.

The remaining four developments (210 units) are currently under construction and are expected to be completed in PY2022-2023. Two of the four developments under construction are Permanent Supportive Housing.

The City used \$727,296.82 (48%) of its HOME funds on the rehabilitation of three multi-family complexes and two single-family rental houses and one duplex. The three multi-family developments completed in PY2021-2022 include:

1. HomeSource East Tennessee's Applewood Apartments with 20 units (11 were HOME-assisted);
2. Covenant Village with 71 units (25 were HOME-assisted); and
3. Knoxville Leadership Foundation's Sutherland Square with 36 units (all HOME-assisted).

The City also supported private developers of affordable housing by assisting with documentation required by the State of Tennessee for tax credits through THDA and contributed \$200,000 in local funds to the East Tennessee Foundation's Affordable Housing Trust Fund to support affordable housing goals (including rental housing rehabilitation) in the city of Knoxville.

The City also provided \$4.5M in local, capital dollars (in addition to \$4.25M provided in PY2019) to KCDC for new infrastructure, including utilities, streets, and sidewalks for the first phase of housing redevelopment for Austin Homes. Construction on this phase of the residential development, begun in August 2020, is complete and includes 105-units of new mixed-income housing. Phase two of the residential development broke ground in the spring of 2021 and is expected to open in December 2022, includes 180 units of affordable housing. Phase three of the residential development is currently in development and is expected to consist of 83 units of affordable and workforce housing. Phase Three is expected to break ground in the summer of 2022 and be complete by the end of 2023. All of the units at First Creek at Austin Homes will be affordable to families with incomes at or below 80% of the area median, with a majority reserved for families with extremely low or very low incomes.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The HUD Office of Lead Hazard Control and Healthy Homes (HUD OLHCHH) awarded the City of Knoxville a \$3.6 M, 42-month Lead Hazard Control grant, in early 2019. The City collaborated with Knoxville-Knox County CAC to perform targeted outreach and education to at-risk LMI households, as well as the completion of lead hazard control projects, and healthy homes interventions. During PY2021-2021, 33 lead-based paint inspection/risk assessments were completed and 30 lead hazard control projects were completed and achieved clearance.

The purpose of the program is to identify and control lead-based paint hazards in eligible privately owned rental and owner-occupied housing. Those who qualify may receive a grant for repairs designed to remediate lead-based paint hazards, including replacing old wooden windows with new vinyl windows, vinyl siding and aluminum trim, covering porch floors and ceilings, and fresh paint.

The City performs risk assessments for its housing rehabilitation projects and Homemaker's program properties, as necessary, with four staff who have been licensed by the State of Tennessee and certified by the U.S. Environmental Protection Agency to perform lead-based paint inspections and risk assessments. Each staff person participates in on-going training to keep licenses up to date. The City and CAC both own an XRF analyzer, which receives maintenance and radiation lead testing according to the required schedule and its use is documented according to State requirements.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

For those who are unable to work or are underemployed, the City carried out the actions described in this document and the PY2020-2024 Consolidated Plan to positively impact and reduce the number of poverty-level families. Initiatives such as: The Knoxville Area Urban League's *Rise*, Salvation Army's *Pathways to Hope* and NHI's *KnoxWorx* workforce development programs; Revitalization and development that creates and/or retains jobs in low- and moderate-income areas (LMAs), including redevelopment areas; The Commercial Façade Improvement program; Housing assistance programs that help keep housing costs affordable; as well as opportunities, like HUD Section 3, that come with construction/development – all help in providing higher income opportunities for individuals and families at poverty-level.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City's Office on Homelessness (OOH) staffs the quarterly meetings of the Mayor's Roundtable on Homelessness, which brings together the leadership local homeless service agencies and other stakeholders. OOH participates in the Knoxville-Knox County Coalition for the Homeless and serves as the designated Collaborative Applicant for the Knoxville Knox County CoC (TN-502). During the pandemic, the local Emergency Operations Center (EOC) has been activated, and the OOH coordinates the Homeless Service sector portion of the EOC operations. OOH has also worked with agency partners to develop and submit a coordinated application for HUD's Youth Homelessness Demonstration Program.

Department staff also participate in the coordinating bodies for several agencies that perform community development activities, including Knoxville-Knox County Homeless Coalition, Affordable Housing Trust Fund Advisory Board, Equality Coalition for Housing Opportunity, and the NAACP, etc. Staff also serve on or provide information to task forces related to neighborhood revitalization, such as the Chronic Problem Properties Committee, Abandoned, Blighted and Vacant (ABV) Properties Committee, the Better Building Board and Blighted Properties Redevelopment Program loan review committee, Affordable Housing Trust Fund, East Tennessee Community Design Center Board, and

Broadway Corridor Task Force.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City's Office on Homelessness staffs and coordinates the Mayor's Roundtable on Homelessness, a quarterly meeting of housing and service providers. City staff regularly meet with affordable housing providers, including non-profit and CHDO housing developers and for-profit affordable housing developers. OOH participates in the Knoxville-Knox County Coalition for the Homeless and also serves as the designated Collaborative Applicant for the Knoxville Knox County CoC (TN-502). During the pandemic, the local Emergency Operations Center (EOC) has been activated, and the OOH coordinates the Homeless Service sector portion of the EOC operations. OOH has also worked with agency partners to develop and submit a coordinated application for HUD's Youth Homelessness Demonstration Program.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

As part of its research to develop the PY2020-2024 Consolidated Plan, the City of Knoxville worked with a consultant to conduct an Analysis of Impediments to Fair Housing Choice (AI). An important component of the research process involved gathering input regarding fair and affordable housing conditions, perceptions, and needs. The City's Community Empowerment Department is also available to assist in its role as the liaison between community agencies and the City. The City remains committed to affirmatively furthering fair housing, understanding disparities in opportunity, and promoting equity in all of its activities.

Barriers to the provision of sufficient affordable housing include: increasing land values in the city; increasing costs of development/construction; the lack of, or uncertainty of, available government programs and subsidies; the lack of choice in affordable housing location; and the challenges of acquiring and assembling inner-city parcels for affordable housing development.

The City implements fair housing and equal opportunity programming in compliance with civil rights regulations and guidelines. Affirmatively Furthering Fair Housing and identifying actions and strategies that affect equal housing opportunities are two goals for the Community Development department. Fair Housing posters are on display in the City's Housing and Neighborhood Development Department, and the federal equal housing opportunity logo is placed on printed materials. Staff worked with various housing practitioners (lenders, apartment owners, realtors, insurance agencies and landlords) in promoting fair housing and the placement of the logo on materials. The City makes referrals for tenant/landlord matters to Legal Aid of East Tennessee and, for fair housing discrimination complaints, to the Tennessee Human Rights Commission (THRC) that administers the Fair Housing Assistance Program. The City's fair housing brochures, fact sheets, posters, display information, and website explain the Fair Housing Act and the importance of housing equality, and also provide an overview of

the seven protected classes. Several materials are translated in Spanish. The City co-sponsored (before the pandemic) the annual Knoxville Area Fair Housing and Equal Opportunity Conference with the Equality Coalition for Housing Opportunities*, attended by numerous civic groups, advocacy organizations and housing practitioners.

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CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Housing and Neighborhood Development Department Director and Community Development Administrator oversee the planning and budgeting process to ensure that the projects developed are consistent with grant requirements. This planning process also ensures that each funded project is consistent with the PY2020-2024 Consolidated Plan and makes progress toward identified community development objectives. City staff work with and maintain relationships with Knoxville-Knox County Planning that manages comprehensive long-range planning for the city of Knoxville.

All sub-grantee projects are assigned to a Project Specialist for oversight, monitoring, and technical assistance. The Section Manager drafts contracts with input from the sub-grantee and Project Specialist. The City Law Department finalizes the contracts in order to ensure compliance with applicable laws and regulations. Subgrantees submit quarterly progress reports and a completion report. Reports are reviewed by the Project Specialist to ensure contract compliance. Funds are typically provided to subgrantees on a reimbursement basis. Reimbursement requests are submitted to the City on a quarterly or as-needed basis, and contain supporting documentation for all expenses for which reimbursement is requested. Requests are reviewed, revised (if necessary), and approved by the Project Specialist, then reviewed and approved by the Section Manager. The Finance Specialist prepares a check request, which is approved by the Section Manager and Director prior to submission to the City Finance Department. Subgrantee monitoring is performed on an informal basis through telephone, email, and periodic meetings between City and sub-grantee staff. Formal monitoring is performed on an annual basis (except in the case of low risk subgrantees or projects). Formal monitoring is conducted by the Project Specialist at the subgrantee's office (when safe to do so), and includes review of agency policies, procedures, financial records, and project documentation. A written report is issued following a formal monitoring session, and any findings or concerns that require subgrantee action are followed up on by both the subgrantee and City staff.

For City housing activities, applications for assistance are analyzed by Housing Finance Supervisor and the Housing Manager for compliance with program guidelines. Housing Rehabilitation Specialists provide detailed specifications for ensuring that the activity meets Neighborhood Housing Standards and cost estimates to ensure that construction bids are reasonable and allowable. During the construction process, all activities are monitored by Housing Rehabilitation Specialists for compliance. The Housing Construction Manager reviews, approves work and activities during each step of the rehabilitation process. The Director periodically conducts in-house monitoring. Payment for contractor and other housing activity expenses are processed by the Housing Finance Supervisor, Housing Manager, and approved by the Director prior to payment.

The Administrator and Administrative Technician oversee the Department's overall expenditures and financial status and assists the Director in drawing funds from HUD on a regular basis. Special regulatory requirements are addressed by several staff members. The environmental review process is overseen by the Director, who has been delegated this authority by the Mayor. For projects requiring procurement and federal labor standards compliance, the assigned project monitor provides technical assistance to the agency performing the project, oversees the bid process, works with contractors, and reviews certified payroll.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Notice of the availability of the Draft CAPER was published in the Knoxville News Sentinel on Saturday, September 10, 2022. The draft of the PY2021-2022 CAPER was made available for public comment for 15 days from September 14 through September 28, 2022.

A link to the Draft CAPER also appeared on the City's website and notice was published in the City Office of Neighborhood Empowerment's Neighborly Notice newsletter during this time. A hard copy of the Draft PY2021-2022 CAPER was made available for review in the Housing and Neighborhood Development Department. Hard copies of the draft were also offered to those not having internet access.

<<Insert information about comments received.>>

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The overall goal of HUD's community planning and development programs is to support viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. Despite challenges presented with the pandemic, the City of Knoxville's performance during the reporting period has been consistent with this overall HUD goal and with the objectives and priorities in the City's annual plan and the five-year Consolidated Plan strategy. The City's activities for the reporting period improved housing conditions for owner-occupants and renters, created homeownership opportunities, assisted in the provision of housing and services to the homeless, eliminated blighting conditions, and enhanced or improved services, infrastructure and facilities in lower income neighborhoods.

The Knoxville-Knox County CoC has tailored programming to meet the needs of households experiencing homelessness due to the challenges of the pandemic. Homeless shelter providers have worked with the Knox County Health Department during the pandemic to make their spaces safer for guests. This includes decreasing bed capacity to allow for greater social distancing, enhanced separation of spaces, air-filtration and cleaning regimens, wearing of masks, client education and signage, and providing vaccination clinics. The Knox County Health Department and homeless service providers have held vaccination clinics in shelters and at locations accessible to unsheltered persons.

The COVID-19 Guest House, a 15-bed congregate shelter, is currently in its third iteration providing an alternative shelter space for COVID-19 positive individuals to reduce transmission rates in congregate shelters. Initially supported by the City, it is currently funded by the Knox County Health Department and operated by the Salvation Army. Shelter utilization rates for the COVID-19 Guest House have been low for the first six months of 2022, but usage rates spiked in July's community surge. Additionally, the City supported non-congregate shelter by-way of hotel/motel vouchers that continue to support upwards of 95 family, homeless youth, and elderly households operated by the Community Action Committee. The Knoxville-Knox County CoC has used dynamic prioritization to target EHV to households within non-congregate shelter as the program does not have sustainable future funding. The intent is to connect as many households in non-congregate shelter (NCS) with permanent housing before the program is closed. Lastly, the City used ESG-CV funds to fund a mobile shower trailer program implemented by VMC to improve the health and wellness outcomes for individuals experiencing unsheltered homelessness. The program is located in the City of Knoxville's low-barrier Safe Space—an outdoor location that provides access to restrooms and on-site security where individuals can spend time during the day. This location has Knoxville-Knox County's highest concentration of individuals experiencing homelessness, specifically unsheltered homelessness. The program provides access to showers and laundry services four days a week. Coordinated entry housing assessments are conducted onsite with individuals engaging with the program.

Street outreach was expanded and tailored to meet the needs of our growing unsheltered population during PY2021-2022. A total of 12 outreach workers in the CoC—9 traditional outreach workers and 3 homeless youth-specific outreach workers, have been outfitted with mobile tablets (supported with City ESG-CV funds) to conduct coordinated entry assessments in the field. The Knoxville-Knox County CoC is currently considering new outreach strategies such as housing surge and place-based approaches.

The City created, by Ordinance, the Knoxville Affordable Housing Fund (The Fund) in May 2021, committing \$5 M a year for ten years. In PY2021-2022 (its first year) the City contributed \$8.105 M, exceeding the \$5 M committed.

The City increased its commitment to the provision of services to the homeless in PY2021-2022 by contributing more than \$950,000 in local homeless general funds. These funds were spent on emergency shelter and services, transitional housing and services, and HMIS services.

The City also contributed local funding to the improvement of commercial facades in redevelopment areas, contributing to job creation and retention. The City continues to support with local funds the acquisition of blighted, vacant property in neighborhoods and provide basic maintenance through its Homemaker's program.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants? No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

One property was due for inspection in the month of June 2022, HRMC Washington Pike. The pandemic has caused a delay in the City performing inspections, but has scheduled inspections for all the properties in the month of September, including:

1. McNabb Washington Pike
2. Pocahontas Drive
3. ETHDC 2106 Sycamore
4. ETHDC 2110 Sycamore
5. ETHDC 3425 Bishop St.
6. NHI Sutherland Square
7. ECG Southside Flats
8. Covenant Village

All properties are inspected on the three-year required schedule. Landlords are provided with a written list of deficiencies and given a reasonable amount of time to complete them. The properties are re-inspected upon completion. All tenant and rental data are reviewed during inspections.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

During the reporting period, the City's HOME-assisted projects which contained more than 5 HOME-assisted units each increased to nine. All of the projects accept tenant's rental assistance, receive project-based assistance, or have a written agreement with the City allowing preference to be given to certain underserved populations (homeless veterans, in this case). All lease to tenants from a waiting list. A majority of the tenants in the HOME-assisted units represent populations from protected classes- racial minority, households with children, the elderly and/or those with a disability. Four of the projects are owned by CHDOs, and vacancies are posted on each of their websites and at TNHousingSearch.org. Fliers are posted at KCDC, and the Knoxville Area Urban League is notified of any vacancies. One CHDO also does outreach to social service agencies/local ministries during the year such as CAC, the Salvation Army and Knox Area Rescue Mission.

All projects with five or more units include the Fair Housing logo on their advertising, and all use

social media. Project Based Voucher units are advertised through KCDC, the local housing authority. Management companies work closely with case managers from mental health, homeless, and elderly/disabled -centered programs across the city.

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

All projects with five or more units include the Fair Housing logo on their advertising, and all use social media. Project Based Voucher units are advertised through KCDC, the local housing authority. Management companies work closely with case managers from mental health, homeless, and elderly/disabled -centered programs across the city.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

HOME program income is generated by HOME-funded housing rehabilitation and property acquisition projects. During the program year, a total of \$776,145.62 in HOME program income was receipted through HUD's Integrated Disbursement and Information System (IDIS) for eligible housing activities. HOME program income in the amount of \$556,599.63 was drawn during the program year: \$370,425.35 to fund six Owner-occupied Housing Rehabilitation projects and \$210,111.12 to fund four Rental Rehabilitation projects. One Owner-occupied Housing Rehabilitation job was completed, occupied by an *extremely-low income*, non-Hispanic, Black/African American, 2-parent family household, with disabilities. Three of the Rental Rehabilitation projects using HOME program income, were also completed, two of which are single-family rental properties, both occupied by *extremely-low income*, non-Hispanic, Black/African American households, one that is an elderly household. The other is a multi-family, 36-unit apartment complex with 35 units occupied. Of the 35 units, 23 households have *extremely-low income*, 10 very-low income, one household at 60% AMI, and one *low-income*. Twenty-two households are non-Hispanic Black/African American, 12 are non-Hispanic White/Caucasian, and one is Hispanic White/Caucasian. Twenty-two households are single-parent families, eight are single/non-elderly, three are elderly, and two are two-parent families.

An additional \$93,535.41 in HOME program income/program administration was drawn in September 2022 for project delivery costs during PY2021-2022.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

Enhancing the Availability, Accessibility, and Quality of Affordable Housing is a high priority goal

that includes the following objectives: 1) Increase Affordable Rental Housing, through New Construction and Rehabilitation; 2) Increase Affordable Owner-occupied Housing, through: Partnering with Community Housing Development Organizations (CHDOs); Down Payment and closing cost assistance to CHDO and other home buyers; and Rehabilitation; 3) Increase Permanent Supportive Housing; 4) Support Energy Conservation/Efficiency in Affordable Housing Development; 5) Provide Broadband Internet in Affordable Housing Development; and 6) Provide Tenant-Based Rental Assistance.

The City addresses these objectives in its Annual Action Plan through its Owner Occupied and Rental Housing Rehabilitation programs with CDBG and HOME funds and through CDBG funds sub-granted to CAC and NHI for emergency and minor home repairs. The City outlined in its action plan that it seeks to fund new special needs (including elderly populations) housing construction through its Rental Housing Rehabilitation program. The City supports CHDO-developed new affordable housing construction in its action plan. The City created its own, locally funded Affordable Rental Development (ARD) Fund to assist non-profit and for-profit developers of new, affordable rental housing.

The City increased its commitment to affordable housing in May 2021, by establishing an ordinance creating the Knoxville Affordable Housing Fund. The Knoxville Affordable Housing Fund is a ten-year, \$50 M commitment to support the creation and preservation of safe, high quality, and affordable housing. Addressing these affordable housing concerns is a priority that supports not only the needs of local families, but also the community's efforts to revitalize neighborhoods that have experienced historical disinvestment, attract new business investment, and support workforce development, recruitment and retention. Beginning in PY2021-2022, the City contributed \$8.105 M, exceeding the \$5 M committed. The City continued to contribute to its own, locally funded Affordable Rental Development (ARD) Fund, adding another \$2.5M during the program year, for a total of \$15.1 M since July 2017.

During PY2021-2022, the City also supported private developers of affordable housing by assisting with documentation required by the State of Tennessee for tax credits through THDA and contributed \$200,000 in local funds to the East Tennessee Foundation's Affordable Housing Trust Fund to support affordable housing goals (including rental housing rehabilitation) in the city of Knoxville.

The City and its partners, with support from affordable housing advocates, continue to find new ways to meet the housing needs of its more vulnerable residents.

City of Knoxville Consolidated Plan 2020 - 2024

Goals and Objectives	Priority	Federal Objectives
<p>Goal: Reduce and Prevent Homelessness <u>Objective:</u> Increase Affordable, Permanent Housing, through: * Rental Housing Development/Rehabilitation * Permanent Supportive Housing Development/Rehabilitation</p> <p><u>Objective:</u> Prevent Homelessness and Prevent Displacement, through: * Emergency Home Repair Services (including accessibility modifications) * Homelessness Prevention Services * Housing Payments Assistance/Public Services</p> <p><u>Objective:</u> Connect People to Resources, through: * Rapid Re-housing Assistance * Case Management, including Housing Navigation * Health Services (Mental Health and Substance Abuse, especially for Special Populations) * Employment and Economic Stability * Street Outreach * HMIS * Food and Nutrition Services/Public Services (for Special Populations)</p> <p><u>Objective:</u> Provide Emergency Shelter (Including Low-barrier Shelter)</p> <p><u>Objective:</u> Provide Emergency Services (Including Amenities)</p>	<p>High High</p> <p>High High/ESG High</p> <p>High/ESG High/ESG High/ESG High/ESG High/ESG High</p> <p>High</p> <p>High/ESG</p>	<p>Provide Decent Housing (DH) DH</p> <p>DH Homelessness Prevention DH / Public Service</p> <p>Rapid Re-housing (RRH) RRH and Emergency Shelter Emergency Shelter and Street Outreach Emergency Shelter and Street Outreach Street Outreach HMIS Create a Suitable Living Environment</p> <p>Create a Suitable Living Environment</p> <p>Emergency Shelter</p>
<p>Goal: Stabilize and Revitalize Neighborhoods <u>Objective:</u> Increase Housing Affordability, through Housing Development by: * Partnering with Community Housing Development Organizations (CHDOs) and Others * Providing Down Payment and Closing Cost Assistance to CHDO Home Buyers</p> <p><u>Objective:</u> Prevent Displacement, through: * Housing Rehabilitation * Design and Technical Assistance</p> <p><u>Objective:</u> Support Maintenance Activities on Blighted Properties</p> <p><u>Objective:</u> Support Improvements to Public Infrastructure, through: * Pedestrian and Vehicular Street Improvements * Storm Water Improvements</p> <p><u>Objective:</u> Support Public Facility Improvements - Energy Conservation</p>	<p>High High</p> <p>High High</p> <p>High</p> <p>Low Low</p> <p>Low</p>	<p>Provide Decent Housing (DH) DH</p> <p>DH Create Economic Opportunities</p> <p>SL</p> <p>SL SL</p> <p>SL</p>
<p>Goal: Create Economic Opportunity <u>Objective:</u> Create Job Opportunities, through: * HUD-funded Affordable Housing Construction * HUD and/or Other Source(s)-funded Construction Activities</p> <p><u>Objective:</u> Support Employment and Job Training/Public Service, including Workforce Dev.</p> <p><u>Objective:</u> Increase Economic Opportunity, through: * Development of a Construction-related Job Pipeline, including Workforce Development * Creation of a Central Repository of Contractors and Sub-contractors * Support Capacity-building within the Community, including Design and Technical Assistance</p>	<p>High High</p> <p>High</p> <p>High High High</p>	<p>Provide Decent Housing (DH) Create a Suitable Living Environment Create Economic Opportunities (EO)</p> <p>EO EO EO</p>
<p>Goal: Enhance the Availability, Accessibility, and Quality of Affordable Housing <u>Objective:</u> Increase Affordable Rental Housing, through: * New Construction * Rehabilitation</p> <p><u>Objective:</u> Increase Affordable Owner-occupied Housing, through: * Partnering with Community Housing Development Organizations (CHDOs) * Down Payment and Closing Cost Assistance to CHDO Home Buyers. * Rehabilitation</p> <p><u>Objective:</u> Increase Permanent Supportive Housing</p> <p><u>Objective:</u> Support Energy Conservation/Efficiency in Affordable Housing Development</p> <p><u>Objective:</u> Provide Broadband Internet in Affordable Housing Development</p> <p><u>Objective:</u> Provide Tenant-Based Rental Assistance</p>	<p>High High</p> <p>High High High</p> <p>High</p> <p>High</p> <p>Low Low</p>	<p>Provide Decent Housing (DH) DH</p> <p>DH DH DH</p> <p>DH</p> <p>DH</p> <p>DH DH</p>

Draft CAPER, Table 1

Goal	Goal Name	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
1	Administration	Administration	1-CDBG \$267,129 2-ESG \$11,268 3-CDBG-CV \$84,689 4-ESG-CV \$105,284	Other	Other	-	-	-	-	-	-
2	Housing Program Delivery	Affordable Housing Non-Homeless Special Needs	1-CDBG \$288,336 2-HOME \$205,063	Other	Other	-	-	-	-	-	-
3	Owner-occupied Housing Rehabilitation	Affordable Housing Non-Homeless Special Needs	1-CDBG \$7,718 2-HOME \$371,508 3-CDBG-CV \$0	Homeowner Housing	Housing unit	75	6	8.00%	16	3	18.75%
4	Design and Technical Assistance	Non-Housing Community Development	1-CDBG \$36,329	Other	Other	65	25	38.46%	13	11	84.62%
5	CHDOs	Affordable Housing Non-Homeless Special Needs	1-HOME \$792,930	Homeowner Housing Added	Housing unit	28	13	46.43%	10	3	30.00%
6a	Public Services - Workforce Development	Non-Housing Community Development	1-CDBG \$276,105	Public Services Activity	People Assisted	383	280	73.11%	135	154	114.07%
6b	Public Services - Housing Assistance Program	Public Service	1-CDBG \$50,281 2-CDBG-CV \$267,829		People Assisted		1392		389	6429	1652.70%
6c	Public Services - Mobile Meals	Public Service	1-CDBG \$0 2-CDBG-CV \$100,000		People Assisted		473		195	2161	1108.21%
6d	Public Services - Homeless Services	Public Service	1-CDBG \$99,000 2-CDBG-CV \$97,976		People Assisted		170		195	2025	1038.46%
6e	Public Services - Housing Stability	Public Service	1-CDBG \$12,000 2-CDBG-CV \$226,018		People Assisted		267		195	2413	1237.44%
7a	Down Payment and Closing Cost Assistance	Affordable Housing	1-HOME \$26,713 2-CDBG-CV	Direct Financial Assistance	Homeowner Housing	31	6	19.35%	10	2	20.00%
7b	Down Payment and Rehabilitation	Affordable Housing	1-CDBG \$26,000 2-CDBG-CV	Direct Financial Assistance	Homeowner Housing	31	6	19.35%	10	2	20.00%
8	Emergency Home Repairs	Affordable Housing Non-Homeless Special Needs	1-CDBG \$500,000 2-CDBG-CV	Homeowner Housing	Housing unit	750	316	42.13%	115	107	93.04%

Goal	Goal Name	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
9	Minor Home Repairs	Affordable Housing Non-Homeless Special Needs	1-CDBG \$262,050 2-CDBG-CV	Homeowner Housing Rehabbed	Homeowner Housing Unit	94	70	74.47%	40	38	95.00%
				Homeowner Accessibility Modifications	Homeowner Housing Unit	94	66	70.21%	25	30	120.00%
				Rental Housing Accessibility Modifications	Rental Housing Unit	35	13	37.14%	10	9	90.00%
10	Rental Housing Rehabilitation and Development	Affordable Housing Homeless Non-Homeless Special Needs	1-CDBG \$0 2-HOME \$120,604 3-CDBG-CV \$0	Rental Units Constructed	Housing unit	100	8	8.00%	35	0	0.00%
				Rental Units Rehabilitated	Housing unit	115	104	90.43%	40	74	185.00%
11	Blighted Property Stabilization/Main tenance	Non-Housing Community Development	1-CDBG \$0	Other	Other	80	50	62.50%	80	0	0.00%
12a	Homeless Services	Homeless	1-ESG \$35,486 2-ESG-CV \$402,013	TBRA/Rapid Re-Housing	People Assisted	895	1718	191.96%	581	1,303	224.27%
12b	Homeless Services	Homeless	1-ESG \$90,151 2-ESG-CV \$772,628	Emergency Shelter/Services	People Assisted		3937		999	2,315	231.73%
12c	Homeless Services	Homeless	1-ESG \$0 2-ESG-CV \$0	Homelessness Prevention	People Assisted		25		30	0	0.00%
12d	Homeless Services	Homeless	1-ESG \$0 2-ESG-CV \$199,230	Street Outreach	People Assisted		913		725	574	79.17%
12e	Homeless Services	Homeless	1-ESG \$0 2-ESG-CV \$123,873	HMIS	Other		0		-	-	-