Annual Action Plan Public Meeting
April 29, 2019

Community Development Department

Becky Wade, Director
Linda Rust, CD Administrator
Agenda

Overview of Mission and Desired Outcomes

The Five Year Consolidated Plan

The Annual Action Plan
  Consultation
  Public Input
  Proposed High Priority Activities
  Partners / Funding Sources
  HUD Allocation Amounts
  Amounts/Proposed Activities

Opportunity for Public Comment
Our Mission is

to revitalize low and moderate income communities and strengthen all city neighborhoods.

We accomplish this by working with community partners on many programs with various federal, state and local funding sources.
Our Desired Outcomes

- Safe, sustainable and vibrant neighborhoods
- Active public participation through strong neighborhood organizations
- Economic opportunities for individuals and businesses
- Responsive and collaborative partnerships
- Supportive services for persons experiencing homelessness or at-risk of homelessness
- Decent, affordable, healthy and energy-efficient housing
- Accessible, *Visible* and Fair Housing
- Efficient grants administration and management
The PY2015-2019 Five Year Consolidated Plan

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

- **CDBG** – Community Development Block Grant
- **HOME** – HOME Investment Partnerships Grant

- Required by HUD every 5 years (most recent Plan was completed in May 2015)
- Involves extensive community participation
- Sets High / Low priority activities for funding
- Updated annually (Annual Action Plan)
2015-2019 Five Year Consolidated Plan Priorities

Strengthen Neighborhoods

Promote Economic Development

Reduce and End Homelessness

Promote Affordable Housing
The Annual Action Plan

- Updates the Five-Year Plan
- Allows for consideration of changes in
  - Community Needs
  - Opportunities and Challenges
  - Funding Sources and Amounts
- Citizen Participation and Consultation with community partners
- Research (data and trends)
- Annual report of accomplishments – the Consolidated Annual Performance and Evaluation Report (CAPER), due by September 30
- Program Year (PY) 2019-2020 is Year Five
- July 1, 2019 through June 30, 2020
Program Constraints

Regulatory - HUD Requirements

1. CDBG Funds
   - Low- and Moderate- Income (LMI) persons/households
   - LMI Areas
   - Slum or Blight
   - Urgency (urgent threat to community health and welfare)
   - Public Services

2. HOME Funds
   - Affordable Housing for LMI households
PY2019 AAP Consultation Activities

• Community and Economic Development
  – Office of Neighborhood’s Neighborhood Advisory Council
  – Knox County Health Department’s Health Policy Council
  – East Tennessee Community Design Center

• Affordable Housing and Homelessness
  – KCDC
  – MPC/Knox Planning
  – CAC and NHI
  – CHDOs
  – Knoxville Homeless Coalition
  – Mayor’s Roundtable on Homelessness
  – Affordable Housing Developers roundtable
  – Grassroots community groups
    • Justice Knox
    • NAACP
  – Presentations:
    • CAC Landlord Summit
    • Neighborhood Advisory Council (NAC)
Affordable Housing

– No affordable rental units available
– Need more landlords willing to rent to homeless and low-income residents
– Should be trying to turn renters into homeowners
– Mixed income housing needed.
– Need gap coverage for low to moderate income individuals who are outside of the LMI threshold
– Need more affordable units to purchase and renovate.
– Shift focus to “tenant retention”

Economic Development

Housing programs need to connect people to economic and job development opportunities
Homelessness

– Homeless youth population increasing but there is almost no housing available
– Lack of temporary housing for families with children
– Need more supportive housing / individuals with mental health and addiction problems
– Need emergency shelter with lower barriers for entry
– Need more supportive housing for individuals age 50+
– Need more homeless case managers
– Expedited road to housing
– Mobile homeless services to reach a non-day space population.
– Need more “eviction prevention” - Assistance with utility costs (energy efficiency improvements, weatherization, and utility payment assistance)
– For immigrants, language and citizen status a barrier
Neighborhoods

– An expansion of the blighted property program (larger allocations and more properties served)

– Need to control gentrification and price gouging

– Mixed income housing needed

– Higher density is not “bad”. We can incentivize developers in ways that don’t cost money (through higher density!)

– Need lobbying to address imminent domain laws

– Repurpose public buildings, hotels, and churches
PY2019-2020 Proposed High Priority Activities

- **Affordable Rental Housing** *
  - Energy Efficiency / Weatherization - CDBG
  - Accessibility Improvements - CDBG
  - Rehabilitation – CDBG and HOME
  - Development/New Construction - HOME
  - Permanent Supportive Housing (Housing First) - HOME

- **Homelessness** *
  - Public Facility Improvements – CDBG

- **Affordable Owner-occupied Housing** *
  - Emergency and Minor Home Repair - CDBG
  - Rehabilitation – CDBG and HOME
  - CHDOs - Development/New Construction - HOME
  - Down Payment Assistance - HOME

- **Design and Technical Assistance** - CDBG

- **Public Services** – CDBG (up to 15%)
  - Workforce Development
Maximizing Resources by Partnering with:

Public Housing Authority – KCDC

US Department of HUD

Non-Profit and Faith-Based Organizations

Non-Profit Developers

For-Profit Developers

Foundations - East Tennessee Foundation

State of Tennessee
Utilizing Federal / HUD Funds

**CDBG**
- Housing rehabilitation for owner-occupied and rental
- Emergency and minor home repairs
- Energy efficiency improvements
- Accessibility improvements

**HOME Investment Partnerships Grant**
- New construction of owner-occupied and rental
- Housing rehabilitation for owner-occupied and rental
- Down payment assistance

**Lead Based Paint Hazard Reduction/Healthy Homes**
- $2.5 M in 2013-2015 (+ $3.6 M grant awarded this year)
## Estimated vs. Actual Amount

### Proposed in the Draft Plan

<table>
<thead>
<tr>
<th>Program</th>
<th>Estimated</th>
<th>Percentage Change</th>
<th>Actual HUD Allocation</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>$1,609,007</td>
<td>+5%</td>
<td>$1,694,012</td>
<td>(+ $85,005)</td>
</tr>
<tr>
<td>HOME</td>
<td>$1,097,110</td>
<td>-5%</td>
<td>$1,043,957</td>
<td>(- $53,153)</td>
</tr>
<tr>
<td>Total</td>
<td>$2,706,117</td>
<td></td>
<td>$2,737,969</td>
<td>(+$31,852)</td>
</tr>
</tbody>
</table>

**Total: $2,737,969**

While federal funds have risen in the last two years, they have been steadily decreasing for 15 years.
Affordable Rental Development Fund

The City’s Affordable Rental Development Fund (ARDF) is helping fund the gap for the development of new affordable rental housing units:

- $2 M in 2017-2018
- $2.5 M at beginning of 2018-2019 and
- $1 M added mid-year
- **$5.5 M Total**

Another $2.5 M in the Mayor’s Proposed 2019-2020 Budget
City Funds

**ARDF - Affordable Rental Development Fund**
- $5.5 M allocated since July 2017
- $3.79 M obligated thus far
- Leveraging $86.2 M ($1 : $22.75)
- 517 rental units in process

**KCDC – Five Points Redevelopment**
- $13 M spent since 2007
- Leveraged $61.9 M ($1 : $4.76)
- 472 rental units (296 completed, 166 in process)

**Affordable Housing Trust Fund - ETF**
- $2.58 M since 2011 (started in 1993)
- Mostly owner-occupied houses
Results - 2011-2018

Total Investment (2011-2018) = $230.36 M
Funds from/through the City = $ 44.58 M (20%)
Funds leveraged through the City = $185.77 M (80%)
## Results - 2011-2018

<table>
<thead>
<tr>
<th>Housing Since PY2011</th>
<th># units</th>
<th># complete</th>
<th># not complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Rental - New Construction</td>
<td>1,012</td>
<td>339</td>
<td>673</td>
</tr>
<tr>
<td>*Rental - Rehab (inc. KEEM, weath., access.&amp;LBP/HH)</td>
<td>891</td>
<td>795</td>
<td>96</td>
</tr>
<tr>
<td>*Rental - CHDO (rehab)</td>
<td>44</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>*Rental - CHDO (new construction)</td>
<td>8</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Rental</strong></td>
<td><strong>1,955</strong></td>
<td><strong>1,166</strong></td>
<td><strong>789</strong></td>
</tr>
<tr>
<td>*Owner-Occupied - CHDO (new construction)</td>
<td>36</td>
<td>35</td>
<td>1</td>
</tr>
<tr>
<td>*Homebuyer - Downpayment Assistance</td>
<td>53</td>
<td>53</td>
<td>0</td>
</tr>
<tr>
<td>*Owner-Occupied - CHDO (rehab)</td>
<td>20</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>*Owner-Occupied - Rehab (inc. EHR, KEEM, weath., access.&amp;LBP/HH)</td>
<td>2,213</td>
<td>2,204</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Owner-Occupied (OO)</strong></td>
<td><strong>2,322</strong></td>
<td><strong>2,312</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,277</strong></td>
<td><strong>3,478</strong></td>
<td><strong>799</strong></td>
</tr>
</tbody>
</table>
City and State Funds for Homelessness

While a direct allocation of Emergency Solutions Grant (ESG) funds from HUD for homeless services has not been restored, the City and State (THDA) have provided funding to fill the gap.

THDA funds are expected to be $161,250 for:
- Rapid Re-Housing Services $150,000
- $11,250 for administration

City general funds are proposed for homeless agency grants in PY2019.
## Federal PY2019 Amounts

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CDBG Federal Allocation</strong></td>
<td>$1,694,012</td>
</tr>
<tr>
<td>Prior Year Funds</td>
<td>$ 300,000</td>
</tr>
<tr>
<td>Estimated Program Income</td>
<td>$ 150,000</td>
</tr>
<tr>
<td><strong>Total CDBG Funds</strong></td>
<td>$2,144,012</td>
</tr>
<tr>
<td><strong>HOME Federal Allocation</strong></td>
<td>$1,043,957</td>
</tr>
<tr>
<td>Prior Year Funds</td>
<td>$ 316,903</td>
</tr>
<tr>
<td>Prior Year Program Income</td>
<td>$ 444,962</td>
</tr>
<tr>
<td>Estimated Program Income</td>
<td>$ 500,000</td>
</tr>
<tr>
<td><strong>Total HOME Funds</strong></td>
<td>$2,305,822</td>
</tr>
<tr>
<td><strong>Total Federal Funds</strong></td>
<td><strong>$4,449,834</strong></td>
</tr>
</tbody>
</table>
## Proposed PY2019 Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Budget Estimate</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total HUD Budget Estimate</strong></td>
<td><strong>$4,449,834</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Promote Affordable Housing</strong></td>
<td><strong>$3,833,930</strong></td>
<td>(86%)</td>
</tr>
<tr>
<td>Rental Rehab &amp; Development</td>
<td><strong>$1,056,955</strong></td>
<td>* 60 units</td>
</tr>
<tr>
<td>Owner-occupied Rehab &amp; Development</td>
<td><strong>$2,172,253</strong></td>
<td>* 273 units</td>
</tr>
<tr>
<td>Down Payment Assistance</td>
<td><strong>$128,464</strong></td>
<td>* 10 units</td>
</tr>
<tr>
<td>Housing Project Delivery</td>
<td><strong>$476,258</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Prevent and End Homelessness</strong></td>
<td><strong>$52,418</strong></td>
<td>(&lt;1%)</td>
</tr>
<tr>
<td>Public Facility Improvements</td>
<td><strong>$52,418</strong></td>
<td>31 bathrooms</td>
</tr>
<tr>
<td><strong>Strengthen Neighborhoods</strong></td>
<td><strong>$75,684</strong></td>
<td>(2%)</td>
</tr>
<tr>
<td>Maintenance of Blighted Properties</td>
<td><strong>$23,000</strong></td>
<td>* 80 lots</td>
</tr>
<tr>
<td>Design and Technical Assistance</td>
<td><strong>$52,684</strong></td>
<td>13 orgs.</td>
</tr>
<tr>
<td><strong>Promote Economic Development</strong></td>
<td><strong>$119,000</strong></td>
<td>(4%)</td>
</tr>
<tr>
<td>Workforce Development</td>
<td><strong>$119,000</strong></td>
<td>31 grads</td>
</tr>
<tr>
<td>Administration</td>
<td><strong>$368,802</strong></td>
<td>(8%)</td>
</tr>
</tbody>
</table>
### Annual Action Plan

**(Year 5: July 1, 2019 – June 30, 2020)**

#### Citizen Participation Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Public Meeting</td>
<td>January 31, 2019</td>
</tr>
<tr>
<td>Staff Prepare Draft Plan</td>
<td>February – May*</td>
</tr>
<tr>
<td><strong>Draft Available for Review and 30-day Public Comment Period</strong></td>
<td>April 5 - May 6</td>
</tr>
<tr>
<td><strong>Second Public Meeting</strong></td>
<td>April 29, 5:30 PM O’Connor Center</td>
</tr>
<tr>
<td>Prepare Final Annual Action Plan</td>
<td>May 7 – May 23</td>
</tr>
<tr>
<td>Presentation to City Council</td>
<td>May 7</td>
</tr>
<tr>
<td>City Council Review/Vote</td>
<td>May 21</td>
</tr>
<tr>
<td>Consolidated Plan and Year Five Action Plan submitted to HUD</td>
<td>May 24*</td>
</tr>
</tbody>
</table>
Public Comments on the Draft Annual Action Plan

The DRAFT Annual Action Plan is available at
www.knoxvilletn.gov/development

Comments may also be shared through Monday, May 6, 2019, by:

Index cards

Email: LRust@knoxvilletn.gov

Thank you!
Five-Year Consolidated Plan
(covering program years 2020-2024)

Citizen Participation Timeline

Kick-off Event/Public Meeting  Summer 2019
Consultation Meetings  Summer 2019
‘Regional’ Neighborhood Meetings  Summer 2019
Other Public Input Meetings  Summer – Winter 19/20
Draft Available for Review for a 30-day Public Comment Period  Spring 2020
Public Meeting  Spring 2020
City Council Review  Early May 2020
Consolidated Plan and Year One Action Plan due to HUD  May 15, 2020