Executive Summary

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

1. Introduction

This is the second annual update, covering program year 2017-2018, to the Five Year Consolidated Plan that was completed by the City of Knoxville in May 2015. Four community needs categories were identified through the Consolidated Planning process - Strengthening Neighborhoods, Promoting Economic Development, Reducing and Ending Homelessness, and Promoting Affordable Housing.

Consultation with both homeless service and affordable housing providers (including KCDC, the local public housing authority) during the preparation of the 2016-2017 Annual Action Plan, highlighted the severe shortage of affordable rental housing for the lowest income households. Subsequent follow up meetings of the Mayor’s Roundtable on Homelessness over the past year affirm that these conditions have persisted. Indeed, there are affordability/availability challenges at every point along the continuum of affordable housing. Moderate-income renters who would be potential home-buyers, face rising housing values/prices. Consultation with housing and social service providers, as well as data collected over the last year show that the demand for rental housing is far exceeding the supply, with the lowest income households bearing the brunt of the affordable rental housing shortage. Lower-income households that are already homeowners, particularly the elderly/disabled on fixed incomes, single-parent families and other lower income families with a higher cost burden, also continue to have difficulty making necessary life/safety repairs on their homes.

These challenges are the basis for the focus of federal funding in program year 2017-2018, to increase both the supply and maintenance of the affordable housing stock, especially with regards to rental housing. By placing a heavy emphasis on the availability and affordability of housing to both LMI renters and homeowners, this Action Plan also addresses the other community needs identified in the Consolidated Planning process. Both the addition of new units and rehabilitation of existing, substandard units promotes rapid re-housing efforts and prevents homelessness. Neighborhoods are strengthened when substandard and blighted houses are rehabilitated. Spending a significant portion of funds on housing rehabilitation and construction of affordable housing (with Section 3 and Davis Bacon Act compliance) also creates and maintains jobs – promoting economic development. Jobs are created and retained directly through construction activities, and indirectly through the purchase of construction materials and supplies. Economic Development is addressed by the on-going Section 108 loan assisting in the creation of 61 full-time equivalent jobs through the renovation of the Farragut Hotel and through the proposal for workforce development/job training.
2. **Summarize the objectives and outcomes identified in the Plan**

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

HUD funds are being allocated in program year 2017-2018 primarily to activities that help to keep housing affordable and available to low and moderate-income households. These activities include providing assistance along the affordable housing spectrum from rehabilitating existing housing to new construction and from owner occupied housing to rental housing. Housing rehabilitation may include major housing repairs (including reconstruction if the house cannot be repaired), emergency and minor home repairs, weatherization to lower utility costs, and accessibility improvements to avoid displacement. New construction of affordable rental housing is a priority, but some funds may be used for new construction of affordable homeowner housing. Construction activities create work and keep local people employed, not only in promoting economic development initiatives that maintain and create new local jobs, while assisting those who are disadvantaged to gain marketable job skills, begins to address underlying income disparities in the community. Providing housing and services to those with special vulnerabilities is also a high priority need for the City of Knoxville.

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

3. **Evaluation of past performance**

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

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

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

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Five Year Consolidated Planning process included extensive community involvement and a formal public participation process. The consultation meetings in preparation for the Year Two (2016-2017) Annual Action Plan were held with key stakeholders in the four priority areas as part of a public hearing in January 2016. The input received from neighborhood, business, housing and services provider-stakeholders confirmed that the needs identified not only still existed, but in some areas, such as affordable rental housing, the needs were becoming even more pronounced. During the current program year, consultation with both homeless service and affordable housing providers (including KCDC, the local public housing authority) was on-going. Meetings of the Affordable Housing subgroup of the Mayor’s Roundtable on Homelessness on October 19, 2016 and December 20, 2016, and the larger meeting of the Mayor’s Roundtable on Homelessness on January 9, 2017, detailed the shortage of affordable rental housing and its impact on both preventing homelessness and rapidly re-housing those who are homeless. Research by the City, KCDC and the Knoxville-Knox County Community Action Committee (CAC) presented to the Knoxville News Sentinel (see the February 20, 2017, article in the attachments section) confirmed these facts.

In preparation of the 2017-2018 Annual Action Plan, citizens were invited to a public hearing on January 12, 2017, by public notices in community newspapers and the City’s website, and through the City’s Office of Neighborhood’s weekly newsletter. Over 35 people attended the public meeting, including several community residents, representatives from two neighborhood associations, representatives from the Boy Scouts of America, representatives from the Metropolitan Planning Commission, Knoxville Area Transit, and the Great Schools Partnership, and staff from several non-profit housing and service providers. Participants heard a summary of progress on meeting Consolidated Plan priorities and information about the need for focus on affordable rental housing. Please see the attachments section for a summary of the January 12, 2017, public meeting and comments from participants.

The draft plan was completed and available for a 30-day public comment period starting April 10 and ending May 9, 2017. While HUD had not yet received its allocation amounts for the 2017-2018 program year, a Notice from HUD dated December 15, 2016, advised that grantees use a “Contingency Provision”
for describing how it will allocate funds once actual funding amounts are made known. The City chose to proceed with publicizing its draft Plan and hold its public comment period using estimates based on level funding (rather than actual amounts of funding) and percentages of the 2017-2018 allocation amounts for proposed activities. Several comments were received during this time period, including comments received during a second public meeting held on May 8, 2017. Please see the attachments for comments.

5. Summary of public comments

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

During the January 12, 2017, public meeting, comments included: questions about how priorities are set; how the public could get a copy of the power point slide show used in the presentation; questions about eligibility of non-profits for the Homemaker’s program; when applications are taken for the Homemaker’s program; questions about the rental housing rehab program and how landlords can learn more about it; and some personal comments about homeless services efficacy from a formerly homeless individual. A representative from the city’s public transit system, Knoxville Area Transit, provided a statement on how housing developers and transit planners can partner to include public transit enhancements in development proposals to strengthen the whole community, but especially low income areas. See the attachments section for their full statement.

Comments during the 30-day public comment period (and second public meeting held during that time) include: support for affordable rental housing development; requests for consideration of the shelter and housing needs of homeless and precariously-housed residents on the sexual offender registry, as well as for the job needs of that specific population; the impact of the shortage of subsidized rental housing on refugees and undocumented residents; the shortage of affordable rental housing on buslines and near amenities (including grocery stores) and the impact on families; and the necessity of repair work on mobile homes (trailers) to house people who don’t have other housing options. A meeting with the Knoxville City Council was also held during the public comment period and staff answered questions pertaining to the affordable housing crisis in Knoxville and the status of current and proposed affordable housing activities, and a had discussion about how to encourage more mixed-income housing development. Please see, in the attachments section of this Plan, more detail about comments received.

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

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

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

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

A small amount of unspent, prior-year CDBG funds will be used for maintenance of blighted properties and some funds estimated from the 2017-2018 CDBG allocation will be used for two public service activities.
PR-05 Lead & Responsible Agencies – 91.200(b)

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

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

<table>
<thead>
<tr>
<th>Agency Role</th>
<th>Name</th>
<th>Department/Agency</th>
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<tbody>
<tr>
<td>Lead Agency</td>
<td>KNOXVILLE</td>
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<td>CDBG Administrator</td>
<td>KNOXVILLE</td>
<td>Community Development</td>
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<td>HOPWA Administrator</td>
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<td>HOME Administrator</td>
<td>KNOXVILLE</td>
<td>Community Development</td>
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<td>ESG Administrator</td>
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<td>HOPWA-C Administrator</td>
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Table 1 – Responsible Agencies

**Narrative (optional)**

The City of Knoxville Community Development Department receives Community Development Block Grant (CDBG) and HOME Investment Partnership grant funds directly through the U.S. Department of Housing and Urban Development (HUD) currently. The City’s direct allocation of Emergency Solutions Grant (ESG) funds to assist the homeless was discontinued by HUD beginning in PY2014. Since that time, the State of Tennessee, through the Tennessee Housing Development Agency (THDA) allocates ESG funding to support the City’s homeless activities.

**Consolidated Plan Public Contact Information**

Linda Rust is the Community Development Administrator for the City of Knoxville and is the public contact for the Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER). She may be reached at 865.215.2357, LRust@knoxvilletn.gov, or at 400 Main Street, Room 515, Knoxville, TN 37902.
AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Knoxville’s Community Development staff meets with its partners in affordable housing and community development activities on a regular and year-round basis through monthly homeless coalition meetings, quarterly meetings of the Mayor’s Roundtable on Homelessness, board meetings of various partner agencies, and in special topic meetings and workshops. One of those special topics is affordable housing and a subgroup formed from the Mayor’s Roundtable on Homelessness to discuss the issue in more detail. Represented at the affordable housing subgroup consultation meetings on October 19, 2016 and December 20, 2016, were Knoxville’s public housing provider (KCDC), assisted housing providers (including Helen Ross McNabb Center, HomeSource East Tennessee, East Tennessee Housing Development Corporation, Volunteer Ministry Center, and Knoxville Leadership Foundation), for profit housing lenders/providers (Hodges and Pratt Company and Bass, Berry and Sims PLC) and staff from the State of Tennessee and City of Knoxville. Please see the attachments section for notes from those meetings. It is through these meetings and relationships with other service and housing providers that the City stays informed and involved.

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

The City leads the effort to coordinate housing and service providers through its Office on Homelessness, the Knoxville-Knox County Homeless Coalition (meeting monthly), the Mayor’s Roundtable on Homelessness (meeting quarterly), and the Knoxville-Knox County Continuum of Care, as well as through its relationship and support of the public housing authority (KCDC) and case management services to its more vulnerable residents.

For example, representatives at the January 9, 2017, meeting of the Mayor’s Roundtable on Homelessness included private and governmental health, mental health and service agencies (Cherokee Health Services, Volunteers of America Veterans Services, Helen Ross McNabb Center, University of Tennessee College of Social Work/HMIS, United Way, Compassion Coalition, Knoxville-Knox County Community Action Committee, Knoxville Police Department). Multiple agencies provide both housing and services (such as Helen Ross McNabb Center, Knoxville Leadership Foundation, Knox Area Rescue Ministries, Family Promise, Volunteer Ministry Center, Catholic Charities, and YWCA) also participated in the consultation activities. For a complete listing of participants and more detailed notes of the meetings of the Affordable Housing Roundtable (December 20, 2016) and Mayor’s Roundtable on Homelessness (January 9, 2017) can be found in the attachments section.
Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

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

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

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

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities
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<thead>
<tr>
<th>Agency/Group/Organization</th>
<th>KCDC</th>
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<tbody>
<tr>
<td>Agency/Group/Organization Type</td>
<td>PHA</td>
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</table>
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Public Housing Needs  
Homelessness Strategy  
Market Analysis  
Anti-poverty Strategy |
| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | KCDC is the city's public housing authority and is a major partner on affordable rental housing development. KCDC staff participate on the Mayor's Roundtable on Homelessness consultation meeting on January 9, 2017. |

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<tr>
<th>Agency/Group/Organization</th>
<th>CATHOLIC CHARITIES OF EAST TENNESSEE</th>
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</table>
| Agency/Group/Organization Type | Housing  
Services - Housing  
Services-Children  
Services-Elderly Persons  
Services-Persons with Disabilities  
Services-homeless  
Services - Victims  
Child Welfare Agency  
Regional organization |
| What section of the Plan was addressed by Consultation? | Homeless Needs - Chronically homeless  
Homeless Needs - Families with children  
Homelessness Needs - Veterans  
Homelessness Needs - Unaccompanied youth  
Homelessness Strategy  
Anti-poverty Strategy |
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<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td>Catholic Charities staff attended the consultation meeting on January 9, 2017 and public meeting on January 12, 2017.</td>
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<td>3 Agency/Group/Organization</td>
<td>Compassion Coalition</td>
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</table>
| Agency/Group/Organization Type | Services-homeless  
Services-Health  |
| What section of the Plan was addressed by Consultation? | Homelessness Strategy  
Non-Homeless Special Needs  
Anti-poverty Strategy  |
<p>| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Compassion Coalition staff participated in the consultation meeting on January 9, 2017. |
| 4 Agency/Group/Organization | Connect Ministries  |
| Agency/Group/Organization Type | Services-Employment  |
| What section of the Plan was addressed by Consultation? | Homelessness Strategy  |
| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | |</p>
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<th>Agency/Group/Organization</th>
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<td>Agency/Group/Organization Type</td>
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<td>Services-Persons with Disabilities</td>
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<td>What section of the Plan was addressed by Consultation?</td>
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<td>Anti-poverty Strategy</td>
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<td>Agency/Group/Organization</td>
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<td>Agency/Group/Organization Type</td>
<td>Services-Persons with Disabilities</td>
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<td>What section of the Plan was addressed by Consultation?</td>
<td>Anti-poverty Strategy</td>
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<td>Agency/Group/Organization</td>
<td>Dover Development Corporation</td>
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<td>Agency/Group/Organization Type</td>
<td>Housing</td>
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<td>What section of the Plan was addressed by Consultation?</td>
<td>Housing Need Assessment</td>
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<td>Economic Development</td>
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<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
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<td>Agency/Group/Organization</td>
<td>EAST TENNESSEE COMMUNITY DESIGN CENTER</td>
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<td>Agency/Group/Organization Type</td>
<td>Planning organization</td>
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| What section of the Plan was addressed by Consultation? | Market Analysis  
Economic Development |
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<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td>East Tennessee Community Design Center participated in the January 12, 2017 public meeting.</td>
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<tr>
<th>Agency/Group/Organization</th>
<th>EAST TENNESSEE HOUSING DEVELOPMENT CORPORATION</th>
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| Agency/Group/Organization Type | Housing  
Regional organization  
Planning organization |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | ETHDC staff participated in the consultation meeting on December 20, 2016 and the public meeting on January 12, 2017. |

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<tr>
<th>Agency/Group/Organization</th>
<th>Helen Ross McNabb Center</th>
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| Agency/Group/Organization Type | Housing  
Services - Housing  
Services-Children  
Services-Persons with Disabilities  
Services-homeless  
Services-Health  
Services - Victims  
Health Agency  
Child Welfare Agency  
Regional organization |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Homeless Needs - Chronically homeless  
Homeless Needs - Families with children  
Homelessness Needs - Unaccompanied youth  
Homelessness Strategy  
Non-Homeless Special Needs |
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<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td>HRMC staff participated in the October 19, 2016 and January 9, 2017 consultation meetings.</td>
</tr>
<tr>
<td>11 Agency/Group/Organization</td>
<td>HomeSource East Tennessee</td>
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</table>
| Agency/Group/Organization Type | Housing  
Services - Housing  
Regional organization |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Anti-poverty Strategy |
| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Home Source East Tennessee staff participated in the October 19, 2016 consultation meeting and the January 12, 2017 public meeting. |
| 12 Agency/Group/Organization | Knoxville Knox County Community Action Committee |
| Agency/Group/Organization Type | Services - Housing  
Services - Children  
Services - Elderly Persons  
Services - Persons with Disabilities  
Services - Homeless  
Services - Health  
Other government - County |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Homeless Needs - Chronically homeless  
Homeless Needs - Families with children  
Homelessness Needs - Veterans  
Homelessness Needs - Unaccompanied youth  
Homelessness Strategy  
Non-Homeless Special Needs  
Anti-poverty Strategy  
Lead-based Paint Strategy |
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<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td>CAC staff participated in the January 9, 2017 consultation meeting and the public meeting on January 12, 2017.</td>
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<td>13</td>
<td>Agency/Group/Organization</td>
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<tr>
<td>Agency/Group/Organization Type</td>
<td>Other government - Local</td>
</tr>
<tr>
<td>What section of the Plan was addressed by Consultation?</td>
<td>Homelessness Strategy</td>
</tr>
<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td>City Community Development staff presented the draft Action Plan to City Council members and staff on May 9, 2017.</td>
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<td>14</td>
<td>Agency/Group/Organization</td>
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<tr>
<td>Agency/Group/Organization Type</td>
<td>Planning organization</td>
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| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Non-Homeless Special Needs  
Market Analysis  
Economic Development  
Anti-poverty Strategy |
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<tr>
<th>Agency/Group/Organization</th>
<th>Knoxville Leadership Foundation</th>
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| **Agency/Group/Organization Type** | Housing  
Services - Housing  
Services-Children  
Services-Elderly Persons  
Services-Persons with Disabilities  
Services-Employment  
Business and Civic Leaders |
| **What section of the Plan was addressed by Consultation?** | Housing Need Assessment  
Non-Homeless Special Needs  
Economic Development  
Anti-poverty Strategy |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | The Knoxville Leadership Foundation and Neighborhood Housing, Inc. staff participated in the October 19, 2016, December 20, 2016, and January 9, 2017, consultation meetings and the January 12, 2017, public meeting. |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Public Housing Needs  
Homeless Needs - Chronically homeless  
Homeless Needs - Families with children  
Homelessness Needs - Veterans  
Homelessness Needs - Unaccompanied youth  
Homelessness Strategy  
Anti-poverty Strategy |
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<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
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<td>Agency/Group/Organization</td>
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| Agency/Group/Organization Type | Housing  
Services - Housing  
Services-Persons with Disabilities  
Services-Employment |
| What section of the Plan was addressed by Consultation? | Housing Need Assessment  
Non-Homeless Special Needs  
Economic Development  
Anti-poverty Strategy |
<p>| Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | |</p>
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|   | **Agency/Group/Organization Type** | Housing  
Services - Housing  
Services-Persons with Disabilities  
Services-Persons with HIV/AIDS  
Services-homeless  
Services-Health |
|   | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment  
Homelessness Strategy  
Non-Homeless Special Needs  
Anti-poverty Strategy |
|   | **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | |
| 19 | Agency/Group/Organization | UNIVERSITY OF TENNESSEE HOMELESS MANAGEMENT INFORMATION SYSTEMS |
| 19 | **Agency/Group/Organization Type** | Other government - State  
Planning organization |
| 19 | **What section of the Plan was addressed by Consultation?** | Housing Need Assessment  
Public Housing Needs  
Homeless Needs - Chronically homeless  
Homeless Needs - Families with children  
Homelessness Needs - Veterans  
Homelessness Needs - Unaccompanied youth  
Homelessness Strategy |
<table>
<thead>
<tr>
<th>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</th>
</tr>
</thead>
<tbody>
<tr>
<td>UT HMIS staff attended the December 20, 2016 consultation meeting.</td>
</tr>
<tr>
<td>Agency/Group/Organization</td>
</tr>
<tr>
<td>Agency/Group/Organization Type</td>
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<tr>
<td>What section of the Plan was addressed by Consultation?</td>
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<tr>
<td>Agency/Group/Organization</td>
</tr>
<tr>
<td>Agency/Group/Organization Type</td>
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<tr>
<td>What section of the Plan was addressed by Consultation?</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>
| | VOA staff participated in the January 9, 2017 consultation meeting.
<table>
<thead>
<tr>
<th>Agency/Group/Organization</th>
<th>YWCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency/Group/Organization Type</td>
<td>Housing</td>
</tr>
<tr>
<td></td>
<td>Services - Housing</td>
</tr>
<tr>
<td></td>
<td>Services-Victims of Domestic Violence</td>
</tr>
<tr>
<td></td>
<td>Services-homeless</td>
</tr>
<tr>
<td></td>
<td>Services - Victims</td>
</tr>
<tr>
<td></td>
<td>Business and Civic Leaders</td>
</tr>
<tr>
<td>What section of the Plan was addressed by Consultation?</td>
<td>Housing Need Assessment</td>
</tr>
<tr>
<td></td>
<td>Homeless Needs - Chronically homeless</td>
</tr>
<tr>
<td></td>
<td>Homelessness Strategy</td>
</tr>
<tr>
<td></td>
<td>Anti-poverty Strategy</td>
</tr>
<tr>
<td>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</td>
<td></td>
</tr>
</tbody>
</table>

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

There were not any agencies that were excluded from the consultation process.
Other local/regional/state/federal planning efforts considered when preparing the Plan

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

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

**Narrative (optional)**

The City of Knoxville will continue to partner with other public entities, such as the Knoxville Knox County Community Action Committee, the Metropolitan Planning Commission, Transportation Planning Organization, Knox County, and the State of Tennessee in the implementation of the Consolidated Plan.
AP-12 Participation – 91.105, 91.200(c)

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

The City’s Community Development staff held a public meeting on January 12, 2017, in preparation for the development of the PY2017-2018 Annual Action Plan. Citizens were invited to the meeting by public notices in the Knoxville News Sentinel newspaper and through Mundo Hispano, a Spanish-language online newspaper, on the City’s website, and through the City’s Office of Neighborhood’s newsletter. Over 35 people, including citizens, neighborhood leaders/representatives, housing developers, non-profit organizations and service providers, the Metropolitan Planning Commission, Knoxville Area Transit, Great Schools Partnership, members of the press, and staff from various city departments were in attendance. Please see, in the attachments section of this Plan, a summary of the public meeting and comments from KAT.

The draft plan was completed and available for comment during a thirty-day public comment period beginning April 10, 2017. Notice was given through the Knoxville News Sentinel newspaper, online through Mundo Hispano, through the City’s Office of Neighborhood’s Newsletter and online through the City’s website and calendar. Comments were received through May 9, 2017 (see attachment for comments received). Invitations to the second public meeting held on May 8, 2017, and to review the draft were published on the City’s website, in the Knoxville News Sentinel newspaper, Mundo Hispano, and through the Office of Neighborhoods newsletter. The second public meeting was held during the public comment period, on May 8, 2017, to discuss the draft Plan. Only one citizen attended this meeting and comments were received (see attachments). A meeting with Knoxville City Council was held during the public comment period as well and their comments are also in the attachment section.

Since the focus of the proposed Action Plan for PY2017-2018 is concentrated on affordable housing, and more specifically on affordable rental housing, Community Development staff made several presentations in the community on the need for affordable rental housing. Staff researched and consulted with the Knoxville-Knox County Community Action Committee (CAC), Knoxville’s Community Development Corporation (KCDC), and the Knoxville-Knox County Metropolitan Planning Commission (MPC) and developed a presentation highlighting the gaps in affordable rental housing. Staff presented this information at: the annual ECHO (Equality Commission on Housing Opportunities) Fair Housing Conference on April 7, 2017, attended by 85 or more people; a public/neighborhood meeting on April 19, 2017, to discuss a proposed LIHTC rental housing development in the Lindbergh Forest neighborhood (attended by about 60 people); the CAC Community Leadership Class of 2017 on May 2, 2017 (attended by about 45 people); Knoxville’s Elder Abuse Coordinated Community Response team
meeting on May 2, 2017 (about 20 people in attendance); and to City Council at its May 9, 2017, dinner meeting. Community Development staff also gave multiple interviews with television, radio and print media about the lack of sufficient affordable rental housing in Knoxville. See the attachments section for more information and copies of news stories.

### Citizen Participation Outreach

<table>
<thead>
<tr>
<th>Sort Order</th>
<th>Mode of Outreach</th>
<th>Target of Outreach</th>
<th>Summary of response/attendance</th>
<th>Summary of comments received</th>
<th>Summary of comments not accepted and reasons</th>
<th>URL (If applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Newspaper Ad</td>
<td>Non-targeted/broad community</td>
<td>Public Notice in the Knoxville News Sentinel newspaper on December 17, 2016, inviting the public to the first public meeting on January 12, 2017.</td>
<td>There were no comments received from this outreach.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Internet Outreach</td>
<td>Non-English Speaking - Specify other language: Spanish-language online newspaper</td>
<td>Notice in Mundo Hispano, a Spanish language online newspaper, inviting the public to the first public meeting on January 12, 2017.</td>
<td>There were no comments received from this outreach.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
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<td>Summary of comments received</td>
<td>Summary of comments not accepted and reasons</td>
<td>URL (If applicable)</td>
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<tr>
<td>3</td>
<td>Internet Outreach</td>
<td>residents participating in neighborhood organizations</td>
<td>City's Office of Neighborhood's Newsletter - available by email, online and in print to persons lacking internet access, inviting the public to the first public meeting on January 12, 2017.</td>
<td>There were no comments received from this outreach.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Internet Outreach</td>
<td>City's website knoxvilletn.gov and online calendar, City's FaceBook page</td>
<td>City's website, online calendar and FaceBook page inviting the public to the first public meeting on January 12, 2017.</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
<td>Summary of response/attendance</td>
<td>Summary of comments received</td>
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</tr>
<tr>
<td>5</td>
<td>Public Hearing</td>
<td>Non-targeted/broad community</td>
<td>Over 35 people attended the public meeting, including several community residents, representatives from two neighborhood associations, representatives from the Boy Scouts of America (Bookwalter UMC), representatives from the Metropolitan Planning Commission, Knoxville Area Transit, and the Great Schools Partnership, and staff from several non-profit housing and service providers.</td>
<td>Please see the attachments section for a summary of the January 12, 2017, public meeting and comments from participants.</td>
<td>There were no comments or views that were not accepted. One person, at the January 12, 2017 public meeting, shared their opinion with a city staff person about the effectiveness of some social services they received, though they were not specific about which agency provided services. They agreed to share, in writing, what they would want shared publicly. This was never received by the City.</td>
<td>-</td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
<td>Summary of response/attendance</td>
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<td>Summary of comments not accepted and reasons</td>
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</tr>
<tr>
<td>6</td>
<td>Newspaper Ad</td>
<td>Non-targeted/broad community</td>
<td>Public Notice in the Knoxville News Sentinel newspaper on April 8, 2017, letting the public know about the release of the draft Annual Action Plan and how to comment.</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Internet Outreach</td>
<td>Non-English Speaking - Specify other language: Spanish language online newspaper</td>
<td>Notice in the Spanish language online newspaper, Mundo Hispano, on April 8, 2017, letting the public know about the release of the draft Annual Action Plan and how to comment.</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
<td>Summary of response/attendance</td>
<td>Summary of comments received</td>
<td>Summary of comments not accepted and reasons</td>
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</tr>
<tr>
<td>8</td>
<td>Internet Outreach</td>
<td>residents of neighborhood organizations</td>
<td>Office of Neighborhood's Newsletter - a weekly newsletter delivered by email and regular mail to neighborhood organization members, leaders, etc. - inviting them to comment/review the draft Annual Action Plan.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>9</td>
<td>Internet Outreach</td>
<td>City's website knoxvilletn.gov and City's FaceBook page</td>
<td>City's website and online calendar inviting the public to comment/review the draft Annual Action Plan.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
<td>Summary of response/attendance</td>
<td>Summary of comments received</td>
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<td>URL (If applicable)</td>
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<tr>
<td>10</td>
<td>Newspaper Ad</td>
<td>Non-targeted/broad community</td>
<td>Public Notice in the Knoxville News Sentinel newspaper on April 22, 2017, letting the public know about the public comment period and how to comment, as well as the date of the second public meeting on May 8, 2017.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>11</td>
<td>Internet Outreach</td>
<td>Non-English Speaking - Specify other language: Spanish-language, online newspaper</td>
<td>Mundo Hispano - announcement letting the public know about the public comment period and how to comment, as well as the date of the second public meeting on May 8, 2017.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Annual Action Plan
2017
<table>
<thead>
<tr>
<th>Sort Order</th>
<th>Mode of Outreach</th>
<th>Target of Outreach</th>
<th>Summary of response/attendance</th>
<th>Summary of comments received</th>
<th>Summary of comments not accepted and reasons</th>
<th>URL (If applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Internet Outreach</td>
<td>residents of neighborhood organizations</td>
<td>Office of neighborhood's Newsletter - a weekly newsletter delivered by email and regular mail to neighborhood organization members, leaders, etc. - inviting them to comment /review the draft Annual Action Plan, as well as informing them of the May 8, 2017 public meeting.</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Internet Outreach</td>
<td>City's website knoxvilletn.gov and City's FaceBook page</td>
<td>City's website and online calendar inviting the public to comment /review the draft Annual Action Plan.</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Sort Order</td>
<td>Mode of Outreach</td>
<td>Target of Outreach</td>
<td>Summary of response/attendance</td>
<td>Summary of comments received</td>
<td>Summary of comments not accepted and reasons</td>
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</tr>
<tr>
<td>14</td>
<td>Public Hearing</td>
<td>Non-targeted/broad community</td>
<td>Only one person attended this meeting, but fortunately she is a staff person for the Great Schools Partnership and was very informative about the need for housing and social services for families participating in the Community School's (inner-city, primarily low/mod income elementary and middle schools).</td>
<td>Please see the attachments section for a summary of the May 8, 2017, public meeting and comments from the participant.</td>
<td>No comments were not accepted.</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 – Citizen Participation Outreach
Expected Resources

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

Introduction

The City has been allocated $1,390,976 in 2017 CDBG funds, $776,257 in 2017 HOME funds, for a total of $2,167,233. Program income anticipated to be received during the 2017-2018 program year is estimated at $150,000 for CDBG and $370,827 for HOME. Prior year, unspent funds are estimated to be $431,199 for CDBG and $306,709 for HOME and are included in the total budget. Accomplishment goals are based on the total budgeted amount for each activity.

Other resources to assist with funding affordable rental housing rehabilitation and development include $2,000,000 in local funds under the City’s Affordable Housing Fund, approved by City Council in May 2017.

Priority Table

<table>
<thead>
<tr>
<th>Program</th>
<th>Source of Funds</th>
<th>Uses of Funds</th>
<th>Expected Amount Available Year 1</th>
<th>Expected Amount Available Reminder of ConPlan</th>
<th>Narrative Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>public-federal</td>
<td>Acquisition</td>
<td>Annual Allocation: $1,390,976</td>
<td>Program Income: $150,000</td>
<td>Prior Year Resources: $431,199</td>
</tr>
<tr>
<td>CDBG</td>
<td></td>
<td>Admin and Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic Development</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Housing</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Public Improvements</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Public Services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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2017

OMB Control No: 2506-0117 (exp. 07/31/2015)
### Table 5 - Expected Resources – Priority Table

<table>
<thead>
<tr>
<th>Program</th>
<th>Source of Funds</th>
<th>Uses of Funds</th>
<th>Expected Amount Available Year 1</th>
<th>Expected Amount Available Reminder of ConPlan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Annual Allocation: $</td>
<td>Program Income: $</td>
</tr>
<tr>
<td>HOME</td>
<td>public - federal</td>
<td>Acquisition</td>
<td>776,257</td>
<td>370,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Homebuyer assistance</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Homeowner rehab</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Multifamily rental new construction</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Multifamily rental rehab</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>New construction for ownership</td>
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<td></td>
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<td>TBRA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESG</td>
<td>public - federal</td>
<td>Conversion and rehab for transitional housing</td>
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<tr>
<td></td>
<td></td>
<td>Financial Assistance</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Overnight shelter</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Rapid re-housing (rental assistance)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Rental Assistance Services</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Transitional housing</td>
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</tr>
</tbody>
</table>

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City of Knoxville utilizes local funds to support activities to address the four priority areas identified during the Consolidated Planning process. 1. Strengthening Neighborhoods: the City funds the City Office of Neighborhoods ($245,000 proposed for PY2017-2018); the acquisition

Annual Action Plan
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and stabilization of blighted/abandoned/chronic problem properties available for the Homemaker’s program ($500,000 proposed for PY2017-2018); Historic Preservation ($500,000 proposed for 2017-2018); Community Schools ($250,000 proposed for PY2017-2018); 2. Promoting Economic Development: the City supports the Commercial Façade Improvement program ($500,000 proposed for PY2017-2018), among other programs assisting small and minority-owned businesses in the city; 3. Reducing and Ending Homelessness: the City supports the City Office on Homelessness and grants to agencies that assist the homeless (estimated to be $573,210 for PY2017-2018) and the State of Tennessee, through the Tennessee Housing Development Agency (THDA) provides ESG funding to support the city’s homeless activities; 4. Promoting Affordable Housing: the City funds the Affordable Housing Trust Fund with the East Tennessee Foundation with local funds ($323,000 proposed for PY2017-2018), funds the local public housing authority, KCDC, with $2,352,950 proposed currently ($8,000,000 over ten years) to support infrastructure in the Five Points neighborhood housing revitalization plan, and the Mayor has proposed funding an initial $2,000,000 to create an Affordable Housing Fund that will leverage investment in the development of new affordable rental housing.

The City will also continue to investigate and make application for additional funding streams that remain consistent with its mission and those that will also further the goals of the Consolidated Plan. The City will also continue to work with its partners in the community to encourage each of them to continue to leverage available funding sources and build capacity.
If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

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

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

Discussion

Program income and unspent, prior-year funds for both the CDBG and HOME programs will help to offset expected CDBG allocation reductions to some degree, although, it is expected that any benefit from those funds will be fairly short-lived. Program income will wane as HUD allocations allow fewer new loans to homeowners.
# Annual Goals and Objectives

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

## Goals Summary Information

<table>
<thead>
<tr>
<th>Sort Order</th>
<th>Goal Name</th>
<th>Start Year</th>
<th>End Year</th>
<th>Category</th>
<th>Geographic Area</th>
<th>Needs Addressed</th>
<th>Funding</th>
<th>Goal Outcome Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Blighted Property Acquisition and Maintenance</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing Non-Housing Community Development</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods</td>
<td>CDBG: $13,200, HOME: $0, ESG: $0</td>
<td>Other: 85 Other</td>
</tr>
<tr>
<td>2</td>
<td>Public Services</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods, Promote Economic Development</td>
<td>CDBG: $46,000, HOME: $0, ESG: $0</td>
<td>Public service activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted Other: 13 Other</td>
</tr>
<tr>
<td>3</td>
<td>Owner Occupied Housing Rehabilitation</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods, Reduce and End Homelessness Promote Affordable Housing</td>
<td>CDBG: $270,061, HOME: $195,000, ESG: $0</td>
<td>Homeowner Housing Rehabilitated: 6 Household Housing Unit</td>
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<tr>
<td>Sort Order</td>
<td>Goal Name</td>
<td>Start Year</td>
<td>End Year</td>
<td>Category</td>
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<td>Funding</td>
<td>Goal Outcome Indicator</td>
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<td>4</td>
<td>Emergency Home Repair</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods&lt;br&gt;Reduce and End Homelessness&lt;br&gt;Promote Affordable Housing</td>
<td>CDBG: $363,000&lt;br&gt;HOME: $0&lt;br&gt;ESG: $0</td>
<td>Homeowner Housing&lt;br&gt;Rehabilitated: 76 Household Housing Unit</td>
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<td>5</td>
<td>Energy Efficiency Improvements</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods&lt;br&gt;Reduce and End Homelessness&lt;br&gt;Promote Affordable Housing</td>
<td>CDBG: $205,000&lt;br&gt;HOME: $0&lt;br&gt;ESG: $0</td>
<td>Rental units rehabilitated: 60 Household Housing Unit&lt;br&gt;Homeowner Housing&lt;br&gt;Rehabilitated: 34 Household Housing Unit</td>
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<tr>
<td>6</td>
<td>Minor Home Repair</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods&lt;br&gt;Reduce and End Homelessness&lt;br&gt;Promote Affordable Housing</td>
<td>CDBG: $100,000</td>
<td>Homeowner Housing&lt;br&gt;Rehabilitated: 39 Household Housing Unit</td>
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<tr>
<td>7</td>
<td>Accessibility Modifications</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods&lt;br&gt;Reduce and End Homelessness&lt;br&gt;Promote Affordable Housing</td>
<td>CDBG: $39,000&lt;br&gt;HOME: $0&lt;br&gt;ESG: $0</td>
<td>Rental units rehabilitated: 7 Household Housing Unit&lt;br&gt;Homeowner Housing&lt;br&gt;Rehabilitated: 6 Household Housing Unit</td>
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Annual Action Plan 2017

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<th>End Year</th>
<th>Category</th>
<th>Geographic Area</th>
<th>Needs Addressed</th>
<th>Funding</th>
<th>Goal Outcome Indicator</th>
</tr>
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<tbody>
<tr>
<td>8</td>
<td>Rental Housing Rehabilitation and Development</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Reduce and End Homelessness</td>
<td>CDBG: $514,719 HOME: $726,991 ESG: $0</td>
<td>Rental units constructed: 167 Household Housing Unit, Rental units rehabilitated: 6 Household Housing Unit</td>
</tr>
<tr>
<td>9</td>
<td>New Affordable Housing Construction</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods</td>
<td>CDBG: $0 HOME: $305,628 ESG: $0</td>
<td>Homeowner Housing Added: 10 Household Housing Unit</td>
</tr>
<tr>
<td>10</td>
<td>Down payment and Closing Cost Assistance</td>
<td>2015</td>
<td>2019</td>
<td>Affordable Housing</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods</td>
<td>CDBG: $0 HOME: $111,467 ESG: $0</td>
<td>Direct Financial Assistance to Homebuyers: 7 Households Assisted</td>
</tr>
<tr>
<td>11</td>
<td>Administration</td>
<td>2015</td>
<td>2019</td>
<td>Program Administration</td>
<td>City of Knoxville</td>
<td>Strengthen Neighborhoods Economic Development Reduce and End Homelessness Promote Affordable Housing</td>
<td>CDBG: $308,195 HOME: $114,708 ESG: $0</td>
<td>Other: 2 Other</td>
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Table 6 – Goals Summary
### Goal Descriptions

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<tr>
<th></th>
<th>Goal Name</th>
<th>Goal Description</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Blighted Property Acquisition and Maintenance</td>
<td>The City of Knoxville will provide the bulk of the funding through local (City) funding sources to acquire and maintain blighted properties in PY2017-2018, however some prior year CDBG funds will assist with the mowing/maintenance of approximately 85 blighted properties in low/moderate income neighborhoods.</td>
</tr>
<tr>
<td>2</td>
<td>Public Services</td>
<td>The City of Knoxville will use 2017 CDBG funds, through a subrecipient agreement, for the East Tennessee Community Design Center to provide design and technical assistance to approximately 13 community non-profit agencies and developers/owners of properties in low/moderate income census tracts to assist with blight remediation and development of businesses and other uses. The City of Knoxville will use 2017 CDBG funds, through a subrecipient agreement, for Neighborhood Housing, Inc.'s Workforce Development program to provide job skills and life skills training to approximately 20 extremely low (0-30% AMI) income young adults (aged 18-29 years old) in certain low/mod, disadvantaged census tracts.</td>
</tr>
<tr>
<td>3</td>
<td>Owner Occupied Housing Rehabilitation</td>
<td>The City of Knoxville Owner-Occupied Housing Rehabilitation program plans to assist approximately 6 households in PY2017-2018: 1 extremely low income; 2 very low income; and 3 moderate income households using CDBG prior year funds ($70,343) and HOME program income funds ($195,000), for a total of $265,343. The City expects to use 2017 CDBG ($125,890) and CDBG prior year funds ($73,828) for a total of $199,718 project delivery expenses for owner-occupied housing rehabilitation activities.</td>
</tr>
<tr>
<td>4</td>
<td>Emergency Home Repair</td>
<td>The City of Knoxville will use 2017 CDBG funds, through a subrecipient agreement, to fund the Knoxville-Knox County Community Action Committee (CAC) to provide emergency home repairs (less than $4,999 each) to approximately 76 homeowners: 28 extremely low income; 32 very low income; and 16 low/moderate income households.</td>
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<tr>
<td>Goal Name</td>
<td>Description</td>
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<tr>
<td><strong>5</strong> Energy Efficiency Improvements</td>
<td>The City of Knoxville will use 2017 CDBG funds and CDBG program income, through a subrecipient agreement, for the Knoxville-Knox County Community Action Committee (CAC) to provide energy efficiency and weatherization-related services to approximately 94 households: 60 renter-households (28 extremely low income; 22 very low income; and 10 low/moderate income households) and 34 homeowner households (16 extremely low income; 12 very low income; and 6 low/moderate income households).</td>
<td></td>
</tr>
<tr>
<td><strong>6</strong> Minor Home Repair</td>
<td>The City of Knoxville will use 2017 CDBG funds, through a subrecipient agreement, for Neighborhood Housing, Inc.'s Operation Back Yard program to assist approximately 39 homeowners with minor home repairs (less than $4,999 each): 14 extremely low income; 14 very low income; and 11 low/moderate income households.</td>
<td></td>
</tr>
<tr>
<td><strong>7</strong> Accessibility Modifications</td>
<td>The City of Knoxville will use 2017 CDBG funds, through a subrecipient agreement, for Neighborhood Housing, Inc.'s Operation Back Yard program to provide accessibility improvements to approximately 13 disabled households: 7 renter-occupied households (4 extremely low income; 2 very low income; and 1 low/moderate income households) and 6 owner-occupied households (3 extremely low income; 2 very low income; and 1 low/moderate income households).</td>
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<tr>
<td><strong>8</strong> Rental Housing Rehabilitation and Development</td>
<td>The City of Knoxville's Rental Housing Rehabilitation and Development program will use CDBG prior year funds ($200,000) and 2017 CDBG funds ($115,000) and 2017 HOME ($582,000), HOME prior year funds ($111,004), and HOME program income funds ($33,987), for a total of $1,041,991 to assist approximately 173 renter households with affordable housing: 34 very low income (0-50% AMI) and 139 (51-60% AMI) households. The City expects to use 2017 CDBG ($125,890) and CDBG prior year funds ($73,829) for a total of $199,719 for project delivery expenses for rental housing rehabilitation/development activities.</td>
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<tr>
<td>Goal Name</td>
<td>Description</td>
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<tr>
<td>New Affordable Housing Construction</td>
<td>The City of Knoxville will allocate at least 15% of its 2017 HOME funds and some prior year HOME funds to Community Housing Development Organizations (CHDOs) to develop approximately 10 units of new affordable housing: 7 low/moderate income (50-80% AMI) and 3 very low income households (31-50% AMI).</td>
<td></td>
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<tr>
<td>Down payment and Closing Cost Assistance</td>
<td>The City of Knoxville will use prior year HOME funds and HOME program income to assist approximately 7 homebuyers of affordable, CHDO-developed housing: 5 are expected to be low/moderate income and 2 very low income households.</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>The City will use up to 20% of its 2017 CDBG allocation and up to 20% of its CDBG program income to fund CDBG general administration expenses. The City will use up to 10% of its 2017 HOME allocation and up to 10% of its HOME program income (as PA) for HOME administration expenses.</td>
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</table>

Table 7 – Goal Descriptions

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

The City of Knoxville, in partnership with its subrecipients, intends to use its total CDBG (approximately $1,972,175) and HOME funds (approximately $1,453,793), which includes its 2017 HUD allocations of CDBG and HOME funds, estimated program income to be collected during the program year, and any remaining unspent prior year funds, to provide affordable housing assistance to an estimated 411 households: 240 renter households and 171 owner-occupied households.

Of the estimated 240 renter households to be assisted, approximately 173 households will receive either rehabilitation of their housing unit or a new affordable rental unit through development activities (of which 20%, approx. 40 units, will be set aside for households within 0-50% AMI and 80%, about 133 units, will be set aside for households within 0-60% AMI. About 60 rental households (28 households expected to be at 0-30% AMI/extremely low income, 22 households at 30-50% AMI/very low income, and 10 households at 50-80% AMI/low-moderate income) will receive weatherization/energy efficiency improvements; about 7 rental households will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income) will receive accessibility modifications (4 households expected to be at 0-30% AMI/extremely low income, 2 households at 0-50% AMI/very low income, and 1 house...
moderate income).

Of the estimated 171 (unduplicated*) owner-occupied households assisted: approximately 76 households will receive emergency home repairs (28 households expected to be at 0-30% AMI/extremely low income, 32 households at 30-50% AMI/very low income, and 16 households at 50-80% AMI/low-moderate income); about 39 households will receive minor home repairs (14 households expected to be at 0-30% AMI/extremely low income, 14 households at 30-50% AMI/very low income, and 11 households at 50-80% AMI/low-moderate income); about 34 households will receive weatherization/energy efficiency improvements (16 households at 0-30% AMI/extremely low income, 12 households at 30-50% AMI/very low income, and 6 households at 50-80% AMI/low-moderate income); about 6 households will receive accessibility improvements (3 households expected to be at 0-30% AMI/extremely low income, 2 households at 30-50% AMI/very low income, and 1 household at 50-80% AMI/low-moderate income); about 6 households will receive major housing rehabilitation assistance (1 household expected to be at 0-30% AMI/extremely low income, 2 households at 30-50% AMI/very low income, and 3 households at 50-80% AMI/low-mod income); about 10 new houses will be constructed by CHDOs with HOME funds (3 households expected to be at 30-50% AMI/very low income and 3 households at 50-80% AMI/low-mod income); and 7 home-buyers of CHDO-developed houses will receive down payment assistance (2 households expected to be at 30-50% AMI/very low income and 5 households at 50-80% AMI/low-mod income). *These 7 households receive two forms of assistance – they’re buying a CHDO-developed house with down payment assistance.
**AP-35 Projects – 91.220(d)**

**Introduction**

Of its 2017 CDBG allocation of $1,390,976, the City of Knoxville will fund approximately: 66% ($923,781) for affordable housing activities; 12% ($159,000) for public service activities; and 20% ($278,195) for general administration (plus 20% of estimated CDBG program income (2%)) for a total of $308,195. Owner-occupied rehabilitation (including major housing rehabilitation, emergency and minor home repairs, weatherization/energy efficiency improvements, accessibility modifications and project delivery costs) accounts for $537,000 of the 2017 CDBG allocation amount. Rental Rehabilitation (including major housing rehabilitation, weatherization/energy efficiency improvements, accessibility improvements, and project delivery costs) accounts for $135,000 of the City’s 2017 CDBG allocation. The City plans to spend $251,781 of its 2017 CDBG allocation for housing rehabilitation programs project delivery costs. Lastly, the City of Knoxville will fund two public service activities using 2017 CDBG funds: Neighborhood Housing, Inc. (NHI) Workforce Development program ($113,000) to support adult students (ages 18-29) in high risk census tracts with job training and life skills and the East Tennessee Community Design Center ($46,000) to assist businesses and organizations to alleviate blighted conditions in low/mod neighborhoods or commercial areas.

The City will also use unspent prior year CDBG funds for: blighted property maintenance ($13,200); Owner-Occupied Housing Rehabilitation program ($70,343); and housing rehabilitation project delivery costs ($147,656). An estimated $150,000 in CDBG program income will be allocated for weatherization/energy efficiency improvements on rental housing units.

Unlike CDBG, HOME funds are restricted for affordable housing activities only. The City of Knoxville will use 75% ($582,000) of its 2017 HOME allocation of $776,257 for the rehabilitation and/or development of affordable rental housing; 15% ($116,632) for Community Housing Development Organization (CHDO) developed affordable housing; and 10% ($77,625) for program administration. Up to 10% of PY2017 HOME funds may be used for administration, plus up to 10% of HOME program income may also be used for program administration (an additional $37,082).

The City will also use $111,004 in unspent prior-year HOME funds and $33,987 in estimated HOME program income for the rehabilitation and/or development of affordable rental housing. The City estimates spending an additional $188,996 in unspent prior-year HOME funds on CHDO-developed affordable housing. Unspent prior-year HOME funds ($6,709) plus estimated HOME program income ($104,758) will fund the City’s Down Payment Assistance program, for a total of approximately $111,467, to assist homebuyers in purchasing CHDO-developed housing. The remaining unspent prior year HOME funds ($195,000) will fund the City’s Owner-Occupied Housing Rehabilitation program.
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<tr>
<td>2</td>
<td>Housing Administration</td>
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<td>3</td>
<td>Owner Occupied Housing Rehabilitation</td>
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<tr>
<td>4</td>
<td>ETCDC</td>
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<td>5</td>
<td>CHDOs</td>
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<td>6</td>
<td>Down Payment Assistance</td>
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<td>7</td>
<td>CAC Emergency Home Repair and Weatherization</td>
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<td>8</td>
<td>NHI OBY and Accessibility</td>
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<td>Rental Housing Rehabilitation and Development</td>
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<td>10</td>
<td>Blighted Property Maintenance</td>
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<td>NHI Workforce Development</td>
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Table 8 – Project Information
Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

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

To that end, the City is allocating almost 90% of its total estimated HUD CDBG and HOME funds for the program year to affordable housing activities, with almost 30% allocated for the construction of 167 new units of affordable rental housing. Twenty per cent (34 units) of the new rental units will be available to households considered by HUD to be extremely low income to very low income (0-50% AMI) and the other 80% (133 units) available to those households within 0-60% AMI. Almost 88% of the units are expected to be one and two bedroom units.

An additional 73 renter households will receive some type of rehabilitation work – major rehabilitation (estimated at 6 households), weatherization/energy efficiency improvements (estimated at 60 households), or accessibility improvements (estimated at 7 households). Of these, 32 households are expected to be considered extremely low income (0-30% AMI), 24 households considered very low income (30-50% AMI), and 17 households considered low-moderate income (50-80% AMI).

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

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

### AP-38 Projects Summary

#### Project Summary Information

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<th>Table 9 – Project Summary</th>
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<tbody>
<tr>
<td><strong>1</strong></td>
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<tr>
<td><strong>Project Name</strong></td>
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<td><strong>Target Area</strong></td>
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<td><strong>Goals Supported</strong></td>
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<td><strong>Needs Addressed</strong></td>
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<td><strong>Funding</strong></td>
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<td><strong>Description</strong></td>
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<td><strong>Target Date</strong></td>
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<td><strong>Estimate the number and type of families that will benefit from the proposed activities</strong></td>
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<tr>
<td><strong>Location Description</strong></td>
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<td><strong>Planned Activities</strong></td>
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<td>2</td>
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|   | Goals Supported              | Owner Occupied Housing Rehabilitation  
|   |                              | Rental Housing Rehabilitation and Development |
|   | Needs Addressed              | Promote Affordable Housing  |
|   | Funding                      | CDBG: $399,437              |
|   |                              | HOME: $114,708              |
|   | Description                  | CDBG and HOME funds to support housing programs administration. The City is allowed to spend up to 10% ($77,625) of its 2017 HOME allocation and up to 10% of its estimated HOME program income ($37,082) on HOME administration expenses - all of which support housing activities. The City plans to use $399,437.27 in CDBG funds to support housing rehabilitation administration expenses for both the Owner-Occupied Housing Rehabilitation program and the Rental Housing Rehabilitation and Development program. |
|   | Target Date                  | 6/30/2018                   |
|   | Estimate the number and type of families that will benefit from the proposed activities | This activity supports administration expenses for the HOME program. See each housing activity set up for specific accomplishments. |
|   | Location Description         | All activities must be inside the city of Knoxville. |
|   | Planned Activities           | Administration costs for housing programs. |
| 3 | Project Name                 | Owner Occupied Housing Rehabilitation |
|   | Target Area                  | City of Knoxville           |
|   | Goals Supported              | Owner Occupied Housing Rehabilitation |
| Needs Addressed                   | Strengthen Neighborhoods  
|                                 | Reduce and End Homelessness  
|                                 | Promote Affordable Housing  
| Funding                        | CDBG: $70,343  
|                                 | HOME: $195,000  
| Description                    | To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville uses CDBG and HOME funds to operate the Owner Occupied Housing Rehabilitation program. The City of Knoxville will use $70,343 in prior year CDBG funds and $251,781 of its 2017 CDBG funds and approximately $195,000 in estimated HOME program income funds for the operation of the Owner Occupied Housing Rehabilitation program that will benefit approximately 6 LMI homeowners who need repairs on their homes.  
| Target Date                    | 6/30/2018  
| Estimate the number and type of families that will benefit from the proposed activities | Approximately 6 housing units (6 households) will receive owner-occupied housing assistance: 1 extremely low income (0-30% AMI), 2 very low income (31-50% AMI) and 3 low/moderate income (51-80% AMI).  
| Location Description          | All activities must be within the city of Knoxville.  
| Planned Activities             | The program involves the rehabilitation of single family homes owned by LMI persons. Housing rehabilitation includes work necessary to bring the house up to the housing standard as well as limited property improvements. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible. Improvements focus on code violations, energy efficiency and health/safety issues. The City of Knoxville currently requires Energy Star New Homes certification for all replacement homes built under the City’s rehabilitation program and the maximum energy efficiency, with a minimum of Energy Star certification for rehabilitated houses.  
| Project Name                   | ETCDC  
| Target Area                    | City of Knoxville  

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<table>
<thead>
<tr>
<th>Goals Supported</th>
<th>Public Services</th>
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| Needs Addressed   | Strengthen Neighborhoods  
|                   | Promote Economic Development |
| Funding           | CDBG: $46,000    |
| Description       | To strengthen, as well as promote economic development, in neighborhoods the City of Knoxville will assist the East Tennessee Community Design Center with $46,000 of its 2017 CDBG funds for planning and design technical assistance to approximately 13 organizations and others (such as owners of blighted properties) focused on neighborhood stabilization projects. |
| Target Date       | 6/30/2018       |
| Estimate the number and type of families that will benefit from the proposed activities | The proposed activity will benefit businesses and non profit organizations. |
| Location Description | All eligible activities must be within the city of Knoxville. |
| Planned Activities | A public service activity using CDBG funds to provide assistance to organizations, businesses, and developers with design and other technical assistance to assist businesses and non-profit organizations in redevelopment areas. |

### 5

<table>
<thead>
<tr>
<th>Project Name</th>
<th>CHDOs</th>
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<tr>
<td>Target Area</td>
<td>City of Knoxville</td>
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<tr>
<td>Goals Supported</td>
<td>New Affordable Housing Construction</td>
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| Needs Addressed | Strengthen Neighborhoods  
<p>|                   | Promote Affordable Housing |
| Funding        | HOME: $305,628  |</p>
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<tr>
<th>Description</th>
<th>To promote affordable housing, improve and promote quality of life in neighborhoods, and promote economic development, the City of Knoxville will fund locally designated Community Housing Development Organizations (CHDOs) with &gt;15% $116,632 of its 2017 HOME funds and $188,996 in prior year HOME funds to construct 10 new affordable homes for LMI households.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Date</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>Estimate the number and type of families that will benefit from the proposed activities</td>
<td>Ten households will benefit from CHDO-developed housing activities: 3 very low income (31-50% AMI) and 7 low/moderate income (51-80% AMI) households.</td>
</tr>
<tr>
<td>Location Description</td>
<td>All eligible activities must be inside the city of Knoxville.</td>
</tr>
<tr>
<td>Planned Activities</td>
<td>Affordable housing construction developed by Community Housing Development Organizations (CHDOs). Lease-purchase will also be an eligible activity. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible. The City of Knoxville currently requires Energy Star New Homes certification for any new home built by a nonprofit CHDO partner. The City of Knoxville is committed to promoting visitability to the greatest extent possible in all of the housing development projects.</td>
</tr>
<tr>
<td>6</td>
<td>Project Name: Down Payment Assistance</td>
</tr>
<tr>
<td>Target Area</td>
<td>City of Knoxville</td>
</tr>
<tr>
<td>Goals Supported</td>
<td>Down payment and Closing Cost Assistance</td>
</tr>
<tr>
<td>Needs Addressed</td>
<td>Strengthen Neighborhoods Promote Affordable Housing</td>
</tr>
<tr>
<td>Funding</td>
<td>HOME: $111,467</td>
</tr>
<tr>
<td>Description</td>
<td>To promote affordable housing and improve and promote quality of life in neighborhoods, the City of Knoxville will use $6,709 in prior year HOME funds and $104,758 in estimated HOME program income funds to assist 7 LMI homebuyers of CHDO-developed housing with Down Payment and closing cost assistance.</td>
</tr>
<tr>
<td>Target Date</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Estimate the number and type of families that will benefit from the proposed activities</strong></td>
<td>Seven homebuyers will benefit from down payment and closing costs assistance: 2 very low income households (31-50% AMI) and 5 low/moderate income (51-80% AMI) households.</td>
</tr>
<tr>
<td>Location Description</td>
<td>All eligible activities must be in the city of Knoxville.</td>
</tr>
<tr>
<td>Planned Activities</td>
<td>Down payment and closing cost assistance for purchasers of CHDO-developed housing.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>CAC Emergency Home Repair and Weatherization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Area</td>
<td>City of Knoxville</td>
</tr>
<tr>
<td>Goals Supported</td>
<td>Emergency Home Repair</td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency Improvements</td>
</tr>
<tr>
<td>Needs Addressed</td>
<td>Strengthen Neighborhoods</td>
</tr>
<tr>
<td></td>
<td>Reduce and End Homelessness</td>
</tr>
<tr>
<td></td>
<td>Promote Affordable Housing</td>
</tr>
<tr>
<td>Funding</td>
<td>CDBG: $568,000</td>
</tr>
<tr>
<td>Description</td>
<td>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will use $363,000 of its 2017 CDBG funds to assist the Knoxville-Knox County Community Action Committee (CAC) to complete emergency/minor home repairs in 76 LMI owner-occupied homes. To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will use $55,000 of its 2017 CDBG funds and approximately $150,000 in CDBG program income funds to assist the Knoxville Knox County Community Action Committee (CAC) to complete energy efficiency improvements/weatherization improvements to 94 homeowner and renter-occupied LMI households (about 34 homeowners and 60 renter households.</td>
</tr>
<tr>
<td>Target Date</td>
<td>6/30/2018</td>
</tr>
<tr>
<td>Estimate the number and type of families that will benefit from the proposed activities</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Emergency Home Repairs will benefit 76 owner-occupied households: 28 extremely low income (0-30% AMI), 32 very low income (31-50% AMI) and 16 low/moderate income (51-80% AMI) households. Weatherization and weatherization-related repairs will benefit 34 owner-occupied households: 16 extremely low income (0-30% AMI), 12 very low income (31-50% AMI) and 6 low/moderate income (51-80% AMI) households. Weatherization and weatherization-related repairs will benefit 60 renter households: 28 extremely low income (0-30% AMI), 22 very low income (31-50% AMI) and 10 low/moderate income (51-80% AMI) households.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addresses are unknown at this time, but all eligible activities are inside the city of Knoxville.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CAC will provide emergency home repair assistance up to $4,999 for each eligible homeowner, and weatherization and weatherization-related repairs up to $4,999 to each eligible homeowner or renter, using Section 3 businesses/contractors and subcontractors to the maximum extent feasible.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHI OBY and Accessibility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Knoxville</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goals Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor Home Repair</td>
</tr>
<tr>
<td>Accessibility Modifications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Needs Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen Neighborhoods</td>
</tr>
<tr>
<td>Reduce and End Homelessness</td>
</tr>
<tr>
<td>Promote Affordable Housing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG: $139,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City of Knoxville will use $139,000 of its 2017 CDBG funds to assist the Knoxville Leadership Foundation’s Neighborhood Housing, Inc. (NHI) to complete minor home repairs on 52 LMI homes (39 homeowners and with minor home repairs (mostly exterior) and 6 homeowners and 7 renter households with accessibility modifications).</td>
</tr>
<tr>
<td><strong>Target Date</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Estimate the number and type of families that will benefit from the proposed activities</strong></td>
</tr>
<tr>
<td><strong>Location Description</strong></td>
</tr>
<tr>
<td><strong>Planned Activities</strong></td>
</tr>
<tr>
<td><strong>9</strong></td>
</tr>
<tr>
<td><strong>Target Area</strong></td>
</tr>
<tr>
<td><strong>Goals Supported</strong></td>
</tr>
<tr>
<td><strong>Needs Addressed</strong></td>
</tr>
<tr>
<td><strong>Funding</strong></td>
</tr>
</tbody>
</table>
### Description
To promote affordable housing, improve and promote quality of life in neighborhoods, promote economic development, and reduce and end homelessness, the City will use $115,000 of its 2017 CDBG funds and $200,000 of prior year CDBG funds and $582,000 of its 2017 HOME funds, $111,004 in prior year HOME funds and $33,987 of its estimated HOME program income to fund the major rehabilitation and development/new construction of 173 affordable rental housing units to be occupied by LMI renters.

<table>
<thead>
<tr>
<th><strong>Target Date</strong></th>
<th>6/30/2018</th>
</tr>
</thead>
</table>

| **Estimate the number and type of families that will benefit from the proposed activities** | Approximately 173 units of rental housing will be rehabilitated or developed benefiting 34 very low income (0-50% AMI) households and 139 households (up to 60% AMI). |
| **Location Description** | Addresses are unknown at this time, but all eligible activities must be within the city of Knoxville. |
| **Planned Activities** | Rental housing rehabilitation and/or new construction and development of new affordable rental units. Rehabilitation will focus on code violations, energy efficiency and health/safety issues. Section 3 businesses/contractors and subcontractors will be used to the maximum extent feasible. The City will continue to require the maximum energy efficiency, with a minimum of Energy Star certification. Some funds may be used for infrastructure on sites of new developments. |

### Project Name
Blighted Property Maintenance

| **Target Area** | City of Knoxville |
| **Goals Supported** | Blighted Property Acquisition and Maintenance |
| **Needs Addressed** | Strengthen Neighborhoods |
| **Funding** | CDBG: $13,200 |

| **Description** | To improve and promote quality of life in neighborhoods, the City of Knoxville will use $13,200 in prior year CDBG funds to fund the maintenance of 85 blighted and abandoned lots properties to mitigate the negative impact of blighted properties in LM areas. |
| **Target Date** | 6/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** | Approximately 85 blighted properties will be maintained. |
| **Location Description** | All eligible activities must be within the city of Knoxville. |
| **Planned Activities** | The City of Knoxville will fund the maintenance of 85 blighted and abandoned lots properties to mitigate the negative impact of blighted properties in LM areas. |

| **Project Name** | NHI Workforce Development |
| **Target Area** | City of Knoxville |
| **Goals Supported** | Public Services |
| **Needs Addressed** | Strengthen Neighborhoods  
Promote Economic Development |
| **Funding** | CDBG: $113,000 |
| **Description** | To strengthen quality of life in certain census tracts in neighborhoods and promote economic development of at-risk adults (18-29 years old) residing in those areas, the City of Knoxville intends to use $113,000 of its 2017 CDBG Allocation for a public service activity to assist Knoxville Leadership Foundation’s Neighborhood Housing, Inc. (NHI) Workforce Development program. |
| **Target Date** | 6/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** | 20 low/mod income young adults, from specified, disadvantaged low income census tracts, will receive job training and life skills services. |
| **Location Description** | Within the city of Knoxville. |
| **Planned Activities** | Approximately 20 individuals will receive construction (or other credentialed/certified) job training in a 16-week program that provides certification and job placement, as well as job experience and life skills training/case management for disadvantaged adults. This program is part of a critical support strategy for career engagement and workforce development that seeks to alter the life course of adults living in census tracts that put them at risk of repeat recidivism, academic failure, and long term unemployment. |
AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Knoxville has one target area, the entire city. The City may choose to add more localized target or strategy areas later, as needs and/or opportunities arise.

Geographic Distribution

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Percentage of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Knoxville</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City may choose to add more localized target or strategy areas later, as needs and/or opportunities arise.

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

Low Opportunity - due to poverty, low income, a higher percentage of the population on public assistance, the lack of living wage jobs, high unemployment, high housing/transportation costs, a high free/reduced lunch eligibility, low education attainment, low college enrollment, low pre-school enrollment.

Low Accessibility – due to lack of physical activity centers, active transportation, public transit, vehicle availability, retail food availability, healthy food for children.

High Vulnerability – due to higher percentage of the population with disabilities, of a minority race/ethnicity, lack of English proficiency, a higher percentage of child population, senior population, single parent households.

Discussion

The City of Knoxville has one target area, the entire city. The City may choose to add more localized
target or strategy areas later, as needs and/or opportunities arise.
Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Consultation with both homeless service and affordable housing providers (including KCDC, the local public housing authority) during the preparation of the 2016-2017 Annual Action Plan, described the shortage of affordable rental housing for the lowest income households. At that time, it was being reported that KCDC had very low vacancy rates and that two to three formerly-affordable rental apartment communities were transitioning to higher rents, making them unaffordable to their tenants whose leases were expiring. KCDC also reported that some of their developments were also slated for improvements associated with Rental Assistance Demonstration (RAD) conversion, so vacant units would not be filled until work was completed. Agencies assisting those who were homeless with rapid re-housing funds (deposits, first month rent, etc.) were unable to locate enough housing that would be affordable long-term. As the rental market continued to get tighter and more competitive, rents increased and became unsustainable – especially for those who are at the lowest incomes - seniors, veterans, families with special needs, homeless youth and other households needing a one-bedroom rental unit. Substandard conditions in rental housing were also noted, as were landlords that appeared to take advantage of vulnerable renters. Research by the City, KCDC and the Knoxville-Knox County Community Action Committee (CAC) presented show the following facts: over 400 Section 8 apartments have been lost in the last year due to affordability periods expiring; only 50% of households with a Section 8 voucher are finding a unit to move into; there are over 1400 people on waiting lists for Section 8 vouchers; waiting lists for public housing units are also full, with 1-3 year wait times; public housing wait times for a single, non-disabled, non-elderly person can be five-plus years; renovations at four KCDC developments will take a further 878 units off-line for a time; renovations at another non-KCDC development will make another 199 units unavailable for leasing; average monthly rents have increased by $33 over the past six months; and that more than one-third of renter occupied units are over 35 years old.

There are affordability/availability challenges at every point along the continuum of housing. Moderate-income renters (defined as 80% or less of AMI), who would be potential home-buyers, face rising housing values/prices (including rising interest rates) and a still-sluggish mortgage lending market. Even those of moderate-income struggle to save for down payment and closing costs for a median-priced house. Homeownership is out-of-reach for many lower income households (defined as 50% or less of AMI), when even finding rental housing that is affordable is becoming more and more difficult. Consultation with housing and social service providers, as well as data collected over the last year show that the demand for rental housing is far exceeding the supply, with the lowest income households bearing the brunt of the affordable rental housing shortage. Lower-income households that are already homeowners, particularly the elderly/disabled on fixed incomes, single-parent families and other lower income families with a higher cost burden, also continue to have difficulty making necessary life/safety
reporrs on their homes.

These challenges are the basis for the focus of federal funding through this PY2017-2018 Annual Action Plan to increase both the supply and maintenance of the affordable housing stock, especially with regards to rental housing.

<table>
<thead>
<tr>
<th>Homeless</th>
<th>Non-Homeless</th>
<th>Special-Needs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>411</td>
<td>0</td>
<td>411</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Rental Assistance</th>
<th>The Production of New Units</th>
<th>Rehab of Existing Units</th>
<th>Acquisition of Existing Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>177</td>
<td>234</td>
<td>0</td>
<td>411</td>
</tr>
</tbody>
</table>

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

Discussion

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

Housing affordability and availability challenges are certainly not unique to Knoxville. Nor are the difficulties of trying to meet the growing need with decreasing resources. Even before the recent (March 16, 2017) Trump Administration budget was presented to Congress calling for the elimination of CDBG and HOME programs, the direct allocation of funds from the U.S. Department of Housing and Urban Development (HUD) to the City of Knoxville had been decreasing. Although the City of Knoxville saw a small increase (about 5% each in CDBG and HOME) for PY 2017-2018, since 2010, CDBG had been reduced by almost 35%; HOME Investment Partnership (HOME) by almost 47%; and the direct allocation of Emergency Solutions Grant (ESG) funds for homeless services was reduced to $0 three years ago. The promise of a federal Affordable Housing Trust Fund, to provide states with resources to encourage more development of affordable rental housing for the lowest income households, is limited by funding as well. The cost benefit incentive of the Low Income Housing Tax Credit (LIHTC) to subsidize private development also appears to be decreasing.

The focus of the PY2017-2018 Annual Action Plan is to both maintain the city's affordable housing stock and to increase the number of affordable rental housing units for homeowners and, most...
especially, renter-households. Our challenge is to continue to meet these goals (and other community priorities identified with through the Consolidated Planning process) with (generally) less federal funds each year. Having some unspent funds from previous years is helping to make up the difference with the long-term reduction of federal funds, but this is a short term circumstance.

Some very good news for the coming program year, is the creation of an Affordable Housing Fund, recently approved by Knoxville City Council based upon a recommendation from the Mayor. Funded with $2,000,000 in local funds initially, the goal of the Affordable Housing Fund is to assist with the development of new affordable rental housing inside the city.

The City is also fortunate to have many partners in the community who assist the City with its community development activities and spend funds effectively with impressive, measurable outcomes - and all with inadequate resources to meet the need. It is also important to note that federal dollars allocated to these community initiatives are rarely the only funds invested. The City strongly encourages local leverage on CDBG funded activities and requires matching dollars on activities that benefit the homeless and for HOME funded activities. These may be other public funds, private contributions (through subrecipient organizations) or other local dollars. Leveraged and matched amounts are considered when the City makes funding decisions.
AP-60 Public Housing – 91.220(h)

Introduction

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

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

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

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

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

In conjunction with plans for RAD conversion, KCDC has worked hard during FY 2016 to address its properties’ capital needs via existing CFP and CDBG monies.

Annual Action Plan
2017

OMB Control No: 2506-0117 (exp. 07/31/2015)
**Actions to encourage public housing residents to become more involved in management and participate in homeownership**

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

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

KCDC is not designated a troubled housing authority.

**Discussion**

KCDC has received CHAP (Commitment to enter into Housing Assistance Payment) Awards for all converting RAD properties. Additionally, KCDC has been awarded a Portfolio-Wide Project-Based Rental Assistance conversion for Dr. Lee William’s Senior Complex (TN003000009) and Walter P. Taylor Homes (TN003000008) that consists of four phases. KCDC will continue to manage the following properties under the Low-Income Public Housing (LIPH) program: Cagle Terrace, Guy B. Love Towers, Isabella Towers, Northgate Terrace, and Western Heights. KCDC continues to seek opportunities to improve upon and add to Knoxville’s affordable housing stock via known opportunities, as well as new means.
AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Based on information in the 2016 Housing Inventory Count for the Knoxville-Knox County Continuum of Care, the Knoxville community provides a significant array of shelter, services and housing for the homeless. A large part of those beds and services slots are available to serve broad needs, but there are also some that are designated to serve specific populations and needs. Households with adults and children are served with a number of designated emergency shelter beds, with the majority of those designated specifically for families that are escaping domestic violence situations. Rapid Re-housing programs provide families with help to gain access to permanent housing. Chronically homeless households and military veterans benefit from designated permanent supportive housing beds, both in specialized housing developments and in scattered-site locations supported with housing choice vouchers.

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

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

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

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

Street outreach programs are provided through CAC Homeward Bound, Helen Ross McNabb Center’s PATH program, Positively Living and others. Outreach is conducted to inform unsheltered persons of available resources and to encourage them to take advantage of these resources. The Homeless Coalition convenes an interagency workgroup to coordinate efforts and resources to work with particularly challenging cases in order to get them off the streets, into permanent housing and
connected with appropriate resources.

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

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

The City of Knoxville’s community homelessness plan seeks to coordinate and improve our emergency and transitional housing resources. In particular, the focus is on achieving positive outcomes for each individual family, and measurement of success in gaining access to permanent housing and needed resources, rather than ongoing distribution of meals, shelter nights and other temporary outcomes.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The City of Knoxville is implementing several rapid re-housing initiatives, with a focus on shortening duration of homelessness, gaining access to appropriate, affordable, permanent housing, and gaining access to appropriate services and resources that will help each individual and family become stabilized in permanent housing. Programs are focused in particular on chronically homeless individuals and families, as well as veteran households and families.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

The City of Knoxville is seeking to implement targeted homelessness prevention efforts that can successfully identify families and individuals at immediate risk of homelessness and provide the appropriate intervention that will prevent homelessness. Several years ago, the City created an initiative to provide case management for disabled and elderly public housing residents who are identified as being in immediate danger of eviction. Case management services have proved highly effective at remedying the circumstances that would cause eviction and helping the tenants remain stably housed. The local utility service is coordinating with the Knoxville-Knox County CAC to fund and carry out a weatherization program targeted to low income residents whose high utility bills are likely to endanger
their ability to remain housed. Knoxville Utilities Board will be implementing a program to round up customers’ utility bills to the nearest dollar and to use the funds raised to pay for the weatherization program. The City will continue to look for other similar interventions that can prevent homelessness by stabilizing individuals and families in their existing housing.

**Discussion**

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

<table>
<thead>
<tr>
<th>One year goals for the number of households to be provided housing through the use of HOPWA for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family</td>
</tr>
<tr>
<td>Tenant-based rental assistance</td>
</tr>
<tr>
<td>Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated</td>
</tr>
<tr>
<td>Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Introduction

Some barriers to the provision of sufficient affordable housing include: increasing land values in the city; increasing costs of development/construction; the lack 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 plans to address some of the barriers to affordable housing by:

1. Establishing a locally-funded Affordable Housing Fund, funded initially with $2,000,000 to develop new affordable rental housing units and

2. Participating in Recode Knoxville, an initiative of Mayor Rogero and approved by City Council in 2016, to have the Metropolitan Planning Commission (MPC) and hired consultants review and update the City's zoning ordinance. Community Development staff will meet with the MPC and others, as needed, to make them more aware of the barriers to fair and affordable housing as described above.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

During PY2017, the City of Knoxville will conduct (or be part of a consortium that conducts) an Assessment of Fair Housing (AFH) to analyze the local fair housing landscape and set fair housing priorities and goals. Four fair housing issues will be assessed: Patterns of integration and segregation; Racially or ethnically concentrated areas of poverty; Disparities in access to opportunity; and Disproportionate housing needs.

The City is marketing parcels through its Homemaker’s Program, reviewing them for compatibility with the subdivision regulations and correcting many of the more difficult obstacles before transferring them.
to developers. Small parcels can be combined with others and re-platted into buildable lots of record,
reducing the time and cost investment for the developer.

The City continues to administer the Five Points and Lonsdale redevelopment areas that contain properties that have remained undeveloped or underutilized due to marketability or title problems. The City, with non-federal funds, will continue to acquire abandoned property to clear title issues and offer lots for sale for redevelopment through the Homemaker’s Program. Blighted properties throughout the city are acquired with City general funds and sold through the Homemaker’s program, eliminating the blight and improving neighborhood stability.

The City is encouraging alterations to designs of infill housing that make the new housing fit in better with the older existing homes. Design guidelines have been developed for use in redevelopment areas and for all City subsidized infill houses. This effort includes descriptions and illustrations of low cost modifications builders can make. In the long run, this will help maintain high property values for buyers and should have a substantial impact on neighborhood image and marketability. An I-H Zoning applies the infill guidelines area wide in selected neighborhoods. The City adopted an amendment to the zoning ordinance that makes development of substandard inner city parcels more feasible, reducing the time line and approval process in many cases.

The City has adopted the International Building Code that contains a chapter “Existing Buildings” allowing designers additional alternatives to meet requirements when renovating older buildings. This option can make redevelopment of older buildings more practical and less expensive.

The City has adopted ordinances that streamline remediation of blighted and problem properties. The Abandoned, Blighted and Vacant Properties Committee will focus on efforts to alleviate vacant buildings and blight in neighborhoods.

Choice in Affordable Housing Location: Development of affordable housing opportunities outside of LMAs and/or areas of racial or minority concentration means that low-moderate income people/households have more choice in where to live, access to jobs and schools of their choice, and ultimately the opportunity to transition out of poverty. Choice in affordable housing location is restricted by decreasing financial resources to develop new affordable housing, land/property prices in non-Low/Mod Areas, public transit availability, to name a few. The City is committed to householder choice in location of affordable housing wherever feasible. The City will continue to develop affordable housing in Low Mod Areas and/or areas of racial or minority concentration to mitigate the impact to displaced LMI households where City/KCDC revitalization efforts occur. The City will work with HOME program resources and CHDO developers to develop more affordable housing outside of Low Mod Areas and/or areas of racial or minority concentration. The City will also review the Tax Credit applications it receives for endorsement inside the city for development of more affordable housing opportunities outside of Low Mod Areas and/or areas of racial or minority concentration.

Discussion
New programs have been designed to encourage private investment in older neighborhoods. Previously, incentives targeted to assist and encourage residential development were developed independently from commercial incentives. Policies on redevelopment try to coordinate residential redevelopment with adjacent neighborhood commercial development so that both come on line at the same time. This serves to support both efforts.

Additionally, mixed use development that combines ground floor use with upper level housing use is underway downtown as well as in smaller commercial nodes outside of the City center. The City’s Commercial Façade Improvement program provides funds to assist in such development.
AP-85 Other Actions – 91.220(k)

Introduction

This section concerns other actions to address: obstacles to meeting underserved needs; fostering and maintaining affordable housing; lead based paint hazards; reducing the number of poverty level families; the development of institutional structure; and the enhancement of coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

Current funding levels and funding restrictions inhibit the ability to meet all needs. The City continues to meet many community needs in our priority categories. The City encourages conversations between agencies in an effort to meet community needs in a coordinated way.

As part of its Sustainable Communities Regional Planning Grant, the City of Knoxville, through PlanET, completed a Fair Housing and Equity Assessment (FHEA) and documented issues that impact housing equality. The PlanET Equity Team was created to ensure that equity and access to opportunity are a core part of the PlanET effort. The PlanET Equity Team values creation of a region where there is access to opportunity, economic prosperity and inclusion, and an intention to build long term capacity to create fair, just, and impartial communities. The PlanET Equity Team will ensure that equity is a core part of the fabric of PlanET by focusing on: Prioritizing outreach efforts for those in our region identified as the most negatively affected by inequity; Leading and organizing in the development of the PlanET Fair Housing and Equity Assessment (FHEA) and ensuring its inclusion and actionable impact within our region; and Participating in all PlanET Working Group meetings. See more information, including specific recommendations of the Plan East Tennessee Equity Profile, under attachments for this section.

The City will also continue to conduct the following activities that affirmatively further fair housing: Counseling and referrals, as necessary, to the Tennessee Human Rights Commission; Education and outreach to residents, housing providers, lenders, social/human service and general community; Dissemination of information to the local news media on fair housing and equality issues and activities; Participation in training sessions, workshops, and conferences; Developing and Promoting Fair Housing training with landlords who participate/are interested in participating in the City’s Rental Housing Rehabilitation and Development program; Visible placement of equal opportunity housing logo on relevant City publications and housing programs that use City, CDBG, HOME, and ESG funding; Staff support and/or technical assistance to the Equality Coalition for Housing Opportunity, the Council On Disability Issues, Disability Resource Center, Knoxville-Knox County Homeless Coalition, and Dr. Martin Luther King Jr. Commemoration Commission; Operation and/or funding of programs which promote housing opportunities, such as homeownership education and down payment assistance, housing improvements, and new housing development; Monitoring and studying fair housing and equal opportunity compliance; and Promoting applicable civil rights legislation and regulations relative to fair
housing and equal opportunity.

To serve all citizens, Community Development will provide Braille materials, materials recorded on audiocassettes, and interpreters for the hearing impaired with a week’s prior notice of special needs.

Community Development is committed to meeting the needs of non-English speaking residents in the case of public hearings where a significant number of non-English speaking residents are expected to participate. Foreign language interpreters and materials translated in the appropriate language will be provided with a week’s prior notice of need. The City is supporting a local CHDO who works primarily in a redevelopment neighborhood with a large Spanish speaking population. The CHDO will be hiring a Spanish speaking financial coach who will work one on one with potential homebuyers to help them reach their goals, including homeownership.

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

The City of Knoxville supports the development of new affordable housing in several ways. The City has recently established a locally-funded Affordable Housing Fund with a $2M initial investment for PY2017-2018, to support the development of new affordable rental housing. The City also continues to assisting KCDC, the public housing authority, with the revitalization of the Five Points neighborhood which includes the Walter P. Taylor Homes public housing development. Previous phases of this plan included construction of 20 units of elderly housing, 25 family units on scattered sites in-fill lots and development of 85 units of elderly housing at the Residences at Eastport. Funded with low-income housing tax-credits, construction of 90 units of elderly/disabled housing on the Walter P. Taylor homes site will be completed in 2017. KCDC also received tax-credits in 2016 for 84 new family units that are under construction on the Walter P. Taylor homes site. The City of Knoxville has invested $3,600,000 of local dollars on the revitalization to date. With the next two phases (Phase 2 & 3) of housing construction, the City will provide $4,400,000 for infrastructure improvements to include new streets, sidewalks, lighting and landscaping. The City has pledged a total of $8 million in local funds to assist with the revitalization project.

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

The City holds “Landlord Summits” to encourage landlords to provide affordable housing and educates them about available resources to help them maintain affordable housing, such as information about: free weatherization resources (through the Knoxville Knox County Community Action Committee’s Knoxville Extreme Energy Makeover program); free lead testing (through the City’s Lead Hazard Control program); the new Cooperative Agreement to Benefit Homeless Individuals (CAHBI), serving veterans and other homeless individuals and families; social services programs, such as Section 8 Rental Assistance and other services; and fair housing laws and the landlord/tenant act and how they are
impacted.

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

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

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

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

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

In the coming year, the City hopes to receive a further $2,900,000 in Lead Hazard Control Grant from HUD’s Office of Healthy Homes and Lead Hazard Control to continue the program.

All of these actions will reduce the number of housing units in the City with lead based paint hazards and increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.

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

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

The City of Knoxville, in cooperation with Knoxville’s Community Development Corporation (KCDC), the city’s redevelopment authority, implements redevelopment plans in low and moderate income areas to strengthen public and private investment and create job opportunities and neighborhood revitalization.

All families participating in Community Development programs will see an improvement in their economic condition and it is anticipated that the number of families in poverty will be reduced.

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

**Actions planned to develop institutional structure**

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

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

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

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

**Discussion**

The City is committed to addressing: obstacles to meeting underserved needs; fostering and maintaining
affordable housing; lead based paint hazards; reducing the numbers of poverty level families; developing institutional structure; and enhancing coordination between public and private housing and social service agencies.
Program Specific Requirements
AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction

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

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed 0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee’s strategic plan. 0
3. The amount of surplus funds from urban renewal settlements 0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan 0
5. The amount of income from float-funded activities 0
Total Program Income: 0

Other CDBG Requirements

1. The amount of urgent need activities 0

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 70.00%
HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

   The City does not plan to use forms of investment other than those specified in 24 CFR 92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

   The City uses recapture provisions to ensure affordability in the HOME assisted homeownership program. Only direct subsidy to the homebuyer is subject to recapture. The recapture provisions are enforced during the following affordability period:

   - Five years when the per unit HOME investment is under $15,000
   - Ten years when the per unit HOME investment is $15,000-$40,000
   - Fifteen years when the per unit HOME investment exceeds $40,000

   If the house is sold by the homeowner during the affordability period, the City will recapture HOME funds out of net proceeds as follows:

   - The amount of HOME investment to be recaptured will be reduced on a pro-rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
   - If the net proceeds are not sufficient to recapture the balance owed on the HOME investment as determined above plus enable the homeowner to recover the amount of the homeowner’s down payment, the City and the owner will share the net proceeds.
   - The net proceeds are the sales price minus loan repayment (other than deferred payment loan HOME funds) and closing costs. The net proceeds will be divided proportionally according to the following formulas: A forgivable loan will be used to finance the HOME assistance to the homebuyer. The HOME balance will be forgiven in full at the end of the affordability period if the homebuyer remains the owner and the occupant for the full period. Additional HOME funds may be provided as a fully amortizing and repayable loan. The recapture provision will be enforced through the homebuyers financing agreement with the City, which will be secured by a Deed of Trust. The recaptured amount of HOME funds will be used for HOME eligible activities.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired
with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City uses recapture provisions to ensure affordability in the HOME assisted homeownership program. When HOME funds are used to assist homeownership, the housing will be subject to the following affordability period:

- Five years when the per unit HOME investment is under $15,000
- Ten years when the per unit HOME investment is $15,000-$40,000
- Fifteen years when the per unit HOME investment exceeds $40,000

If the house is sold by the homeowner during the affordability period, the City will recapture HOME funds out of net proceeds as follows:

- The amount of HOME investment to be recaptured will be reduced on a pro-rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
- If the net proceeds are not sufficient to recapture the balance owed on the HOME investment as determined above plus enable the homeowner to recover the amount of the homeowner’s down payment, the City and the owner will share the net proceeds.
- The net proceeds are the sales price minus loan repayment (other than deferred payment loan HOME funds) and closing costs. The net proceeds will be divided proportionally according to the formula above.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not intend to use HOME funds to refinance existing debt that is secured by multifamily housing during this program year.

**Emergency Solutions Grant (ESG)**
Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

Attachment labeled AP-90 further defines ESG written standards.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Knoxville Knox County CoC has designated Knox HMIS as its coordinated assessment system.
Use of Knox HMIS for intake and assessment creates a "no wrong door" scenario that enables those seeking help to come into the system through any participating provider and, through the intake and assessment process, gain access to the resources that will most appropriately and effectively meet their needs.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City has a “Request for Proposals” process where organizations and agencies can submit an application for homeless grants. Whatever the source of funding – City/local funds, THDA/State ESG funds, or in case of an eventual reinstatement, a direct allocation of ESG from HUD – the same criteria for the application is used. This is so that the City can use whatever funding is available to afford the most flexibility in meeting the needs of the homeless in its community. The application lists the component areas of the ESG program. Prior to the submission of applications, the City holds a Technical Assistance Workshop to review ESG programmatic structure, go over specific questions in the application, and to answer questions.

Upon receiving applications, the City has staff team review each application and rate the proposals on how the program fits within the ESG programmatic components, how it meets a crucial homelessness-based need and which funding source is most appropriate for the request. Organizations and agencies are then recommended for funding to senior staff and the mayor. Agreements are developed which outline expectations, rules, regulations, policies and procedures, and are reviewed and approved by City Council before they are executed.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City has a Mayor’s Roundtable on Homelessness which is a forum for addressing long-term solutions. This group is diverse, and includes organizations, agencies, civic leaders and a formerly homeless individual. The Knoxville-Knox County Homeless Coalition is a larger entity and has several former homeless individuals, many of whom now work at homeless shelters or human/social service agencies. All of the City’s subgrantees have a homeless individual or a former homeless client on either their advisory council or board of directors. The City believes that these individuals provide a wealth of knowledge, and maintains documentation on file to support that this level of interaction occurs.

5. Describe performance standards for evaluating ESG.

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

On a quarterly basis, organizations and agencies submit reports describing services rendered and number of individuals served. The City reviews these reports to measure, validate and verify how services have improved and enhanced the lives of clients in compliance with ESG standards. At the end of the contract period, organizations and agencies provide a cumulative report, and the City uses this information to assess performance as well to formulate data for year-end reports.

The City also monitors each subgrantee on a yearly basis. Monitoring is done on-site. The focus of monitoring is:

1. To review operations: administrative, financial and programmatic;
2. To assess the reliability of internal controls (general management/business practices and procedures);
3. To verify contractual and regulatory compliance (city, state and federal);
4. To verify that goals and objectives (performance criteria and standards) are met.
5. To verify the civil rights requirements are met;
6. To test the reliability/validation of invoices and reports (documentation);
7. To determine if costs and services are allowable and eligible, and that clientele served is eligible; and
8. To ensure and assure that the agency has the capacity to carry out the project.

Discussion

The City has a monitoring checklist that spells out various criteria and items to review.

A monitoring summary report is sent within thirty days of the visit. As appropriate, an organization or agency has thirty days to response to any concerns/findings.
Attachments
Citizen Participation Comments

Attachments

Citizen Participation Comments

PY2017-2018 Annual Action Plan

Citizen Participation

AP-10 Consultation –

October 19, 2016  Summary of Meeting Notes ........................................ page 2
December 20, 2016 Summary of Meeting Notes ...................................... page 3
January 9, 2017   Summary of Meeting Notes ........................................ page 4

AP-12 Citizen Participation –

January 12, 2017  Public Meeting #1 Questions/Comments ....................... page 6
April 10 – May 9, 2017 Public Comment Period Questions/Comments ............. page 7
May 8, 2017       Public Meeting #2 Questions/Comments ....................... page 8

Knoxville News Sentinel Notice for January 12, 2017 Public Meeting .............. page 10
Knoxville News Sentinel Notice for Public Comment Period ........................ page 11
Knoxville News Sentinel Notice for May 8, 2017 Public Meeting ....................... page 12
Mayor's Roundtable on Homelessness
“Housing Brain Trust”
October 19, 2016
Meeting notes

In attendance: Houston Smelcer, Helen Ross McNabb Center; Chris Osborn, Homessource; Bruce Spangler, Volunteer Ministry Center; Chris Martin, Knoxville Leadership Foundation; Becky Wade, Linda Rust, and Michael Dunthorn, City of Knoxville.

This ad hoc committee met to discuss the challenges and opportunities for retaining and creating affordable housing in the Knoxville community.

Houston discussed McNabb’s housing. Residents need to have a mental health diagnosis. Even with rent subsidies, funding from TennCare, no debt service on the properties, it’s hard to break even. Cash-flow for housing for low-income residents is increasingly difficult. Payment in Lieu of Taxes (PLOT) funding helps.

Chris O. indicated that operating costs for maintaining housing, even for seniors is difficult. Finding subsidies is critical. KCDC is reducing the amount that can be charged.

Chris M. said that volume is how to make ends meet. For Permanent Supportive Housing spreading operating and social service costs across 40 - 60 units is needed to meet cash-flow requirements. Having Project Based Vouchers (PBVs) is critical.

Bruce indicated that Homessource doesn’t currently have the internal capacity for doing large-scale housing developments.

The group discussed the Affordable Housing Trust Fund under development by THDA. These funds are likely to carry a 30-year affordability requirement, making using the funding difficult for almost any developer aside from public housing.

The group discussed future prospects for availability of PBVs, as well as availability and valuation of Low Income Housing Tax Credits.

Chris indicated that Southeastern Housing Foundation may be interested in doing more affordable housing development in significant numbers, but that they are at least a year away from considering that.

The group discussed the need for more specialized financial expertise in future discussions.
Mayor's Roundtable on Homelessness  
"Housing Brain Trust"  
December 20, 2016  
Meeting notes

In attendance: Nelson Pratt, Hodges & Pratt Company, PC; Jay Moneyhun, Bass, Berry & Sims PLC; Tammy Lynn, State of Tennessee; Bruce Spangler, Volunteer Ministry Center; Sandra Swink and Jim Swink, East Tennessee Housing Development Corporation; Chris Martin, Knoxville Leadership Foundation; Becky Wade, Linda Rust, and Michael Dunthorn, City of Knoxville.

This ad hoc committee met to discuss the challenges and opportunities for retaining and creating affordable housing in the Knoxville community.

Becky discussed a current proposal to develop over 200 units of housing in South Knoxville, with three-quarters of the units dedicated for lower-income residents, likely at or below 60% of Area Median income. The development would be mostly one bedroom units, with some two and three bedroom units as well. Possible sources of funding for the project may include HOME funds, Payment in Lieu of Taxes (PILOT) funding, Low Income Housing Tax Credits at four percent, and others. Rezoning of the intended locations will be required. The developer is already reaching out to area neighborhoods, near East Martin Mill Pike and Young High Pike. This proposal is not a ‘done deal,’ but the effort is promising. The proposing developer has done similar projects in Nashville and Memphis; these are attractive developments. They are also starting a project in Chattanooga. The developer would continue to own and manage the properties after developing them.

Bruce indicated that VMC is looking to develop Permanent Supportive Housing for people who need intensive supportive services. VMC is hoping to create 12 to 14 new units. Bruce indicated that very low income and criminal histories are significant obstacles for housing these populations.

Based on his experience with Fenniken Landing, Chris indicated that project-based vouchers (PBVs) are critical for supportive housing. They create a much-needed financial stability to keep the development going. Availability of PBVs allows developers to take on the risk required to develop affordable housing.

The group discussed the pressing need for affordable housing for families.

Practices elsewhere include:  
Nashville has a city-funded “Affordable Housing Fund”  
Chattanooga has a set-aside requirement for inclusion of affordable units for developers seeking PILOT funding.  
The East Tennessee Foundation has an Affordable Housing Trust Fund

It was suggested that the City identify possible housing sites that meet important criteria like access to public transportation, proximity to employment opportunities, etc. Some possible sites were suggested for consideration.

The group agreed to reconvene after examining more of the possible financial tools for affordable housing development.
Mayor's Roundtable on Homelessness
January 9, 2017

Meeting notes

Mayor Rogero called the meeting to order and attendees introduced themselves.

Mike Dunthorn discussed the announcement of this year’s funding of the Continuum of Care Program by HUD. The Knoxville Knox County CoC was awarded all renewal funding sought.

Mike Dunthorn discussed the State of Tennessee’s release of its new “Tennessee State Plan to End Homelessness.” Knoxville is an active partner with the state initiative.

KnoHMIS – Lisa Higginbotham discussed current the work of KnoHMIS. The online HMIS community dashboard reports quarterly and is now aligned with the calendar year rather than the fiscal year, to enhance clarity for public understanding of the information presented. KnoHMIS is incorporating the revised HUD definition of Chronically Homeless. Preparations are underway to conduct the annual Point-in-Time count of homeless persons at the end of January. There is a special effort to conduct a count of youth and young adults as part of the PIT count.

Mike discussed the new Cities Thrive Initiative, which calls on cities across the country to implement policies and advocate for resources to address mental health issues in our communities. Mike recently participated in a Cities Thrive conference in New York City. NYC has locally implemented Thrive NYC, which the broader initiative seeks to replicate and expand upon. The group concurred with Mayor Rogero’s decision that Knoxville will participate in the Cities Thrive initiative.

Mary LeMense remarked on a ‘Congregational Coalition’ that includes 16 area congregations and is addressing mental health issues and education.

Mayor Rogero discussed the proposed Behavioral Health Urgent Care Center, which is intended to divert non-violent, low-level offenders from jail and into treatment, case management, and housing, as necessary. Knox County is leading the initiative, with City of Knoxville support. Helen Ross McNabb was selected to be the provider through the County’s procurement process. The proposed project will depend on inclusion of state funding, which appears to be in process.

Housing – The group discussed the acute need for affordable housing for low and very-low income residents. A number of tax credit properties are ending their eligibility requirement period and are changing to market-rate housing. Public housing is going through a significant, multi-year process of renovating properties, which takes units off-line for renovation, exacerbating availability of affordable housing. Becky Wade discussed a proposal by a developer to create two multi-family sites in South Knoxville. The sites would create over 200 units of housing, largely serving tenants at or below 50% of the Area Median Income. Some units would be market-rate, creating mixed income housing.

Advocacy – the Mayor and the group discussed the need to advocate for resources to serve homeless persons and families as well as those who are at-risk of homelessness. As upcoming budgeting decisions are made, Roundtable participants should work together to advocate for these needed resources.
Announcements and other business – Family Promise is doubling their program to serve six to eight families at a time for the next thirty weeks. Work is also ongoing to help those affected by the fires in Sevier County.

City Council elections are coming up this year. The Mayor encouraged people to participate in the process.

Knoxville Leadership Foundation is carrying out the Construction Corps program, offering people skills training. Eighty percent of the first class have found jobs. The second class will start at the end of January.

Work is ongoing to assist homeless youth. CAC currently has a caseload of eighteen youth. The emergency transitional housing program for youth is currently out of funding. CAC is also out of ESG rapid re-housing funds. CAC’s Project Help fundraising effort is underway with help from Food City grocery stores.

The YWCA is sponsoring a Diversity Day discussion, featuring the Rev. Harold Middlebrook and Father Ragan Schriver. The event is this Saturday, and part of Martin Luther King birthday week celebrations. Mayor Rogers shared other events on the MLK week schedule and invited everyone to participate.

The medical respite care facility is now open, with eight beds. It is located at Knox Area Rescue Ministries and is operated in partnership with Cherokee Health Systems. Covenant Health and UT Hospital are on board in support of the program.

KCDC’s new Executive Director will start work in February.

Learn noted that there are changes coming in TennCare funding support for mental health case management.

Clyde with Volunteers of America noted that the Homeless Veterans Reintegration Program is still available locally, but administered through their Chattanooga office. They will be applying to re-instate the program as previously administered through their Knoxville office. The Supportive Services for Veterans Families program is underway. Clyde noted that people affected by the fires in Sevier County want to stay in that community, but that affordable housing is even more scarce there. There is no plan for a local “Stand Down” event this year, due to renovations taking place at the armory.
January 12, 2017 AAP Public Meeting Comments/Questions

Q. Are priorities changing because of the funding notice delay?
A. The priorities won’t change, but the ability to fund activities that meet those priorities may.

Q. Will the power point from tonight’s meeting be available online?
A. Yes, we will post it tomorrow on our website. www.knoxvilletn.gov

Q. Regarding the Homemaker’s Program, are non-profits involved? If so, will those applications be available on February 6th?
A. Individuals and non-profit organizations are eligible to apply. The application cycle is on-going, not at a particular time of year. The February 6th application is for homeless activities.

Q. What is the Landlord Summit? How does the Rental Rehabilitation program work?
A. We hold these meetings semi-annually to better engage landlords with our Rental Rehab program. The Rental Rehab program provides landlords with a forgivable loan (up to $20,000 per unit) to bring the rental units up to code. Landlords agree to keep rents “affordable” for a period of time.

From Knoxville Area Transit (KAT)

Community Development Annual Action Plan 2017

Housing and Transportation Partnership

Literature: Affordable housing endeavors that partner with planning of transportation choices strengthen the community for all.


Suggestions: Update application process by including transportation in the rating system and appointing a transportation representative to the evaluation committee. Add transportation into the HUD Action Plan update. Understand public transit's role in low income areas.
Rationale: The City of Knoxville already values a built environment that is sustainable.

- Several examples of community development completed or in the initial phases exist – Magnolia Streetscape, Cumberland Avenue, and Broadway Corridor, to name a few.
- Public transportation described in funding requests (include public transit enhancement with development plans)
- Transit-oriented development support, September 2015 Smart Growth America

Message: Close the community development gap by coordinating housing and transportation projects.

Comments Received within 30-day Public Comment Period (April 10 - May 9, 2017)

May 8, 2017 Email

Thank you for the invitation to your State of the City address and budget presentation. I was not able to attend, but I am very glad to read that your proposal includes a $2 million affordable housing fund to compensate for the anticipated shortfall in federal funding and thus averts a crisis in this area.

I hope you’ll support using 1% of the city’s housing budget to help our homeless and near-homeless citizens who are on a sex offender registry. Many of these individuals are already living in this crisis. Those most in need of shelter and housing are close to them. Social service providers have spoken with who work with these clients need more funding and more viable options to refer them to.

Thank you so much.

Barry M. Sateren

May 1, 2017 Email

I was glad to see the mention in the April 17 News Sentinel inviting public input before May 9 on how your department might best use federal funds in the upcoming fiscal year – especially to meet the Department’s priority of addressing the severe shortage of affordable rental housing. I also support the proposed affordable housing development behind the jingles on Chapman Highway. I live in South Knoxville and drive by the site several times a week, and I think it’s a great idea. It’s on a bus line, and some residents could even walk to job opportunities along Chapman Highway and in the Downtown/JU/UT Park Sodders areas.

Anticipated funds I need to the notice were Community Development Block Grants, HOME Investment Partnership funds, Emergency Solutions Grants – all three from HUD – and income from the CDBG and HOME programs. If the guidelines for any of these funds do not mandate their being used to benefit people on a sex offender registry, I would love to see some of the money used to help this most underserved segment of Knoxville’s homeless and near-homeless population. Our state’s emergency shelters, our public housing, our residential developments for the chronically homeless, and most private landlords are all closed to those individuals. Advocates say the absence of shelter and housing is an extreme obstacle to these folks getting their lives back on track, and that this is not in anyone’s best interests.

I think not that any of these funds are prohibited from use to help this population, that would make it still much more imperative for Knoxville to find alternative funding to remedy this community problem. In fact, I was very glad to read about the inclusion of $2 million for
affordable housing in Mayor Rogero's budget proposal to offset the federal shortfall in the federal budget, and I ask that a fair and just portion of all available funds be used for emergency shelter and stable housing for persons on the sex offender registry.

I've talked with social service providers at the roughly half dozen agencies doing the day-to-day work of trying to find shelter and housing for clients who are on the sex offender registry, with little or nothing to refer them to and little money to pay for hotels or other rental. What I hear is that caring, compassionate, and their need for more stable options for shelter and housing and more funding to pay for it.

I would suggest consulting with them to ask what would make their jobs easier and more effective in helping these clients. My vote for funding would be for:

1. Model shelters for registrants, for emergency shelter and extended stays,
2. Developing with nonprofit groups a state-licensed halfway house for registrants offering emergency shelter, residential treatment, transitional and even long-term housing,
3. Incentives to the private sector to offer jobs and affordable housing to registrants, and
4. Job training - paying registrants to do community service work so they have money for rent.

Thank you so much for your time and consideration,

Barry M. Shelton

May 8, 2017 Email

Hi Linda,

Could you add this to my list of suggestions, please?

5. Consider hiring a part time or full time associate in the Office on Homelessness to focus solely on expanding shelter and housing for registrants. There are over 500 of these individuals in Knox County, and they face overwhelming challenges, restrictions, and closed doors not faced by the general homeless population. Having a dedicated staff member could allow more time and energy to be devoted to working with non-profits, the private sector, and other parties to increase the available shelter and housing options for this group. (Disclaimer: I'm not looking to apply for this position myself)

Thank you,

Barry

May 9, 2017 Telephone call with Barry Shelton

Q. Is it feasible for the City to issue an RFP for affordable housing for sexual offender registrants?

A. Currently there is no agency/organization in Knoxville, that we are aware of, that provides supportive services specific to residents on the sexual offender registry or that could propose to develop supportive housing for this population.

5/8/2017 Public Meeting Comments

Comments:

The Norwood neighborhood is home to many refugees. Willow Creek Apartments is one of the subsidized housing developments that has become non-subsidized – impacts refugees. Long-term leases pose difficulties to refugees due to the short-term refugee resettlement financial assistance. There is no KCDC housing in that area. Castle Ridge apartments are not on a bus line (nearest bus line is 1 mile w/no sidewalks) and are in a food desert, yet is densely populated (many of whom are public school/community school residents). There are housing challenges in the northwest part of the city - the
cycle of poverty is perpetuated. Tillery Ridge still accepts vouchers and cooperative managers assist the Community Schools coordinators with sharing information on services available to families living there.

Trailer parks have mold and other health/safety problems, but provides housing for people with no other options (especially undocumented residents). Still not very affordable ($100/month).

May 9, 2017 City Council Dinner
Comments/Q&A:

Q. What is our HUD allocation based on? How does Knoxville’s allocation compare to other similar-sized cities? How do our affordable housing needs compare to other similar-sized cities?

A. Our allocation is based on a formula (need, poverty, etc.) defined by HUD. It’s hard to compare with other cities without knowing whether their needs, etc. are similar.

Q. How long has the affordable crisis been going on in Knoxville?

A. The growing lack of affordable rental housing for the extremely low income was brought to our attention by homeless service providers and public housing staff, about one year – two years ago. There was further discussion about economic factors that have led to increased competition in the rental housing market. There was also a question about the affordability periods for LIHTC developments and the number of units offline in the last year (i.e., Prestwick Ridge).

Q. What’s our target number for creation of affordable housing units/year?

A. About 200 units/year (with Knoxville’s HUD funds).

Q. What is the status of the housing developments at Holston and Chapman Highway/ KCDC Five Points?

A. Holston should be breaking ground soon. The development off Chapman Highway (E. Martin Mill Pike) that is being proposed is going through review now. The City is providing funding to KCDC (year eight) with additional funds proposed this year for funding infrastructure.

Q. What incentives are available for encouraging mixed-income housing? Can we require developers to include affordable housing in their housing developments? Where are examples of mixed-income housing?

A. There are untapped mixed-income housing development opportunities – ways to incentivize the development of additional affordable housing units. A discussion of the legalities of inclusionary zoning laws in Tennessee ensued. The developers of the proposed E. Martin Mill Pike/Elmington Capital has developed mixed-income housing in Nashville. There was a comment about the lack of diversity of housing downtown.

Additional comments and discussion continued about long-term solutions to housing affordability issues – increased density in corridors/economic development, smaller sized “micro” housing units, etc.
To: CITY OF KNOXVILLE CC

(Advertising) City of Knoxville

P.O.#:

State of Tennessee

County of Knox

Before me, the undersigned, a Notary Public, do solemnly swear, that the affidavit of:

of which the annexed is a copy,

and that the statement of account herewith is correct to the best of his/her knowledge, information, and belief.

Subscribed and sworn to before me this 10 day of April, 2017.

Notary Public

My commission expires 20

Annual Action Plan
Draft of 2017-2018

City of Knoxville

Attas:

OMB Control No: 2506-0117 (exp. 07/31/2015)

The City of Knoxville is required by law to publish an Annual Action Plan to provide a summary of the activities and accomplishments of the previous year, with the purpose of communicating the accomplishments of the City's community development efforts to the public. The plan includes detailed information on the City's Community Development Block Grant (CDBG) and other federal funding programs. The plan is available online and at the City's website.
Attn: LINDA RUST  
To: CITY OF KNOXVILLE COMMUNITY DEV.  

(Advertising) City of Knoxville Draft of the 2017-  

P.O. #:  

PUBLISHER'S AD  

State of Tennessee  

County of Knox  

Before me, the undersigned, a Notary Public in and for  
Knoxville News-Sentinel, a daily newspaper published a  
the advertisement of:  

(The Above-Ref  

of which the annexed is a copy, was published in said p.  

04/22/2017  

and that the statement of account herewith is correct to the best of his/her knowledge, information, and belief.  

Subscribed and sworn to before me this  

Notary Public  

My commission expires  

Annual Action Plan  
2017  

93  

OMB Control No: 2506-0117 (exp. 07/31/2015)
Grantee Unique Appendices

PY2017-2018 Annual Action Plan Attachments

AP-90 Program Specific Requirements ................................................................. page 2

“The Affordable Housing Crisis in Knoxville” Power Point Presentation PDF........... page 8
Affordable Housing Fact Sheet ............................................................................ page 20

News Media Coverage
Knoxville News-Sentinel article [dated January 12, 2017] ........................................... page 21
Knoxville News-Sentinel article [dated February 20, 2017] ....................................... page 23
WATE/ABC [dated March 31, 2017] ................................................................... page 32
Knoxville News-Sentinel article [dated April 5, 2017] .............................................. page 34
WATE/ABC [dated April 12, 2017] ..................................................................... page 36
Knoxville Mercury article [dated April 26, 2017] ..................................................... page 37
WBIR/NBC [dated April 28, 2017] ....................................................................... page 41
Knoxville Mercury article [dated May 2, 2017] ....................................................... page 43
Knoxville News-Sentinel article [dated May 4, 2017] .............................................. page 49
Include written standards for providing ESG assistance [may include as attachment]

The City of Knoxville and its Subgrantees will provide opportunities for the participation of homeless individuals in organizational policy-making body in accordance with 42 U.S.C. 11375(d), and will involve homeless individuals and families in providing work or services pertaining to facilities or activities assisted pursuant to this Agreement in accordance with 42 U.S.C. 11375(c)(7).

The City and its Subgrantees will comply with the requirements of 24 CFR, Part 24 concerning the Drug Free Workplace Act of 1988. The City and its Subgrantees may terminate assistance to any individual or family receiving assistance who violates the program requirements, but only in accordance with an established formal process that recognizes the rights of individuals, and which may include a hearing.

The City and its Subgrantees will policies and procedures for coordination among street outreach providers, emergency shelter providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

Coordination with other targeted homeless services. (§576.400(b)) The City and its Subgrantees will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people within the Knoxville-Knox County Continuum of Care, in order to provide a strategic, community-wide system to prevent and end homelessness. These programs may include: Shelter-Plus-Care Program, Supportive Housing Program, Section 8 Mod Rehab Program, HUD-VASH, Education for Homeless Children and Youth Grants, Grants for the Benefit of Homeless Individuals, Healthcare for the Homeless, Programs for Runaway and Homeless Youth, Projects for Assistance in Transition from Homelessness, Services in Supportive Housing Grants, Emergency Food and Shelter Program, Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program, Homeless Veterans Reintegration Program, Domiciliary Care for Homeless Veterans Program, VA Homeless Providers Grant and Per Diem Program, Health Care for Homeless Veterans Program, Homeless Veterans Dental Program, Supportive Services for Veteran Families Program, and the Veteran Justice Outreach Initiative.

System and program coordination with mainstream resources: (§576.400(c)) The City and its Subgrantees must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of the programs includes: Public Housing programs, housing programs receiving "Section 8" tenant-based or project-based rental assistance, Supportive Housing for Persons with Disabilities, HOME Investment Partnerships Program, Temporary Assistance for Needy Families, Health Center Program, TennCare, Head Start,
Mental Health and Substance Abuse Block Grants, Services funded under the Workforce Investment Act, and others.

KnoxMIS. The City and its Subgrantees will participate in and actively use the Knoxville-Knox County Homeless Management Information System (KnoxMIS), for client intake, assessment, and service coordination. The only exceptions to this requirement will be in the areas of domestic violence and legal services as specifically noted by the US Department of Housing and Urban Development. The City and its Subgrantees are also required to participate fully in the Knoxville-Knox County Homeless Coalition and to coordinate with the Knoxville-Knox County Continuum of Care.

Eligible Participants

Homeless individuals and families shall be eligible for services supported by the Emergency Solutions Grant. Standard policies and procedures exist for evaluating individuals’ and families’ eligibility for assistance under the Emergency Solutions Grant. These policies and procedures closely follow HUD’s ESG interim rule regulations.

To evaluate an individual or family’s eligibility for assistance under ESG, the City and its Subgrantees must document the following, according to HUD regulations:

Homelessness status 24 CFR 576.500 (b) – The City and its Subgrantees maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2.

At-risk of homelessness status §576.500 (c) – The City and its Subgrantees document evidence relied upon to determine that individuals and families have met the definition of “at risk of homelessness” in §576.2.

Determinations of ineligibility §576.500 (d) – For each individual and family determined ineligible to receive ESG assistance, the records include documentation of the reason for that determination.

Annual income §576.500 (e) – For each family or individual receiving ESG assistance, annual income is documented in order to determine eligibility requirements for the program.

The City and its Subgrantees maintains documentation showing evidence of all participants’ eligibility. There are also policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

Using a thorough intake and assessment process, families and individuals should be referred to housing and services for which they are eligible and which will best meet their needs. To be eligible for services, clients must be homeless or at risk of being homeless. The household’s
total income must be at 30% area median income (AMI) requirement, which falls in line with the Fair Market Rent (FMR) Documentation System for Tennessee.

The household must be either homeless (to receive rapid re-housing assistance) or at risk of losing its housing within 21 days after the date of the application (to receive homelessness prevention assistance). The household must meet the following requirements:

No appropriate subsequent housing options have been identified;

The household lacks the financial resources to obtain immediate housing or remain in its existing housing; and
The household lacks support network to obtain immediate housing or remains in its existing housing.

Additional risk factors will be considered in determining eligibility for assistance under ESG. Income eligibility must be verified every three months and documented in the case file via paycheck stubs, unemployment check stubs, SSI, pension, child support, etc.

Rapid Re-Housing (Homeless Assistance) Eligibility:

In addition to the minimum ESG eligibility requirements noted above, to be eligible for ESG rapid re-housing assistance, participants must also meet one or more of the following conditions at the time of application: Sleeping in an emergency shelter; Sleeping in a place not meant for human habitation; Exiting a mental health, foster care or correctional institutional program; Victim of domestic violence. Families with young children, victims of domestic violence, youth aging out of foster care, and those who are coming from shelters or off the street will be the primary population for ESG Rapid Re-Housing Assistance. Short-term rental assistance is defined as up to 3 months of assistance. Medium-term rental assistance is up to 24 months. This is intended for consistency with the period for transitional housing.

Other Requirements:

Short-term and medium-term rental assistance requires that a program participant and a housing owner have a written lease for the provision of rental assistance. All leases must be notarized on an official form.

Habitation Standards and Lead Based Paint Compliance will be established by obtaining official documentation of the date of construction for the housing. Knoxville's Community Development Corporation will provide verification on the absence of lead paint in public housing/Section 8 units. The case file will include documentation on the habitability and lead paint standards. Lead standards will be determined by the date of construction or verification from landlords that the absence of lead requirements has been met.
Homelessness Prevention Eligibility: Families with young children, residents of Section 8 and public housing, and those who are at-risk of non-behavioral eviction are the primary populations for ESG Homelessness Prevention Assistance. A household that is at-risk of losing their housing may be eligible if there is documentation that their loss of housing is imminent, that they meet the 30% AMI requirements, that they have no appropriate subsequent housing options, and that they do not have any other financial resources and support networks to assist with maintaining current housing or obtaining other appropriate housing.

Imminent risk is viewed when a household would require emergency shelter or would otherwise become literally homeless but for ESG assistance. Homelessness Prevention costs are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other appropriate permanent housing and achieve stability in that housing.

Other ESG Standards

There are standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

In providing ESG homelessness prevention assistance or rapid re-housing assistance, the Subgrantees will do so in accordance with the housing relocation and stabilization services requirements in §576.105, the short-term and medium term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

There are standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time. Subject to the general conditions under §576.103 and §576.104, Subgrantees may provide a program participant with up to 24 months of rental assistance during any 3-year period. Per §576.106, this assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

When providing rental assistance, Subgrantees must ensure that the following requirements are met:

1. Program recipients receiving project-based rental assistance must have a lease that is for a period of one year, regardless of the length of rental assistance;
2. Program participants receiving rapid re-housing assistance must be re-evaluated at least once every year and
program participants receiving homelessness prevention assistance are required to be re-evaluated at least once every three months; and (3) no program participant may receive more than 24 months of assistance in a three-year period. There are standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance. Except as provided for housing stability case management in §576.105(b) (2) of the interim rule, no program participant may receive more than 24 months of assistance in a 3-year period.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Knoxville-Knox County CoC has designated Knox HMIS as its coordinated assessment system. Use of Knox HMIS for intake and assessment creates a “no wrong door” scenario that enables those seeking help to come into the system through any participating provider and, through the intake and assessment process, gain access to the resources that will most appropriately and effectively meet their needs.

2. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City has a “Request for Proposals” process where organizations and agencies can submit an application. The applications list the component areas of the ESG program. Prior to the submission of applications, the City holds a Technical Assistance Workshop to review ESG programmatic structure, go over specific questions in the application, and to answer questions. Upon receiving applications, the City has a staff review team. Each application is rated on how the proposed program fits within the ESG programmatic components and meets a crucial homelessness-based need. Organizations and agencies are then recommended for funding. Contracts are developed which outline expectations, rules, regulations, policies and procedures.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The Mayor’s Roundtable on Homelessness is a forum for addressing long-term solutions. This group is diverse, and includes organizations, agencies, civic leaders and a formerly homeless individual. The Knoxville-Knox County Homeless Coalition is a larger entity and has several former homeless individuals, many of whom now work at homeless shelters or human/social service agencies. All of the City’s subgrantees have a homeless individual or a former homeless client on either their advisory council or board of directors. The City believes that these
Individually provide a wealth of knowledge, and maintains documentation on file to support that this level of interaction occurs.

4. Describe performance standards for evaluating ESG.

There is a performance criteria section in each subgrantee contract. Components include: (1) Quantifiable Performance Standards (the services an organization/agency will provide); and (2) Quarterly Performance Goal (a numerical projection of what an organization/agency will achieve in each quarter). On a quarterly basis, organizations and agencies submit reports describing services rendered and number of individuals served. The City reviews these reports to measure, validate and verify how services have improved and enhanced the lives of clients in compliance with ESG standards. At the end of the contract period, organizations/agencies provide a cumulative report, and the City uses this information to assess performance as well to formulate data for year end reports.

The City monitors each subgrantee on a yearly basis. Monitoring is done on-site. The focus of monitoring is:

1. To review operations: administrative, financial and programmatic;
2. To assess the reliability of internal controls: general management/business practices and procedures;
3. To verify contractual and regulatory compliance (city, state and federal);
4. To verify that goals and objectives (performance criteria and standards) are met.
5. To verify the civil rights requirements are met;
6. To test the reliability/validation of invoices and reports (documentation);
7. To determine if costs and services are allowable and eligible, and that clientele served is eligible; and
8. To ensure and assure that the agency has the capacity to carry out the project.

Discussion:

The City has a monitoring checklist that spells out various criteria and items to review. A monitoring summary report is sent within thirty days of the visit. As appropriate, an organization or agency has thirty days to respond to any concerns/findings.
AP-90 Program Specific Requirements Attachment

Include written standards for providing ESG assistance (may include as attachment)

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There are standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

In providing ESG homelessness prevention assistance or rapid re-housing assistance, the Subgrantees will do so in accordance with the housing relocation and stabilization services requirements in §576.105, the short-term and medium term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

There are standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time. Subject to the general conditions under §576.103 and §576.104, Subgrantees may provide a program participant with up to 24 months of rental assistance during any 3-year period. Per §576.106, this assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

When providing rental assistance, Subgrantees must ensure that the following requirements are met:

1. Program recipients receiving project-based rental assistance must have a lease that is for a period of one year, regardless of the length of rental assistance; (2) Program participants receiving rapid re-housing assistance must be re-evaluated at least once every year and

Annual Action Plan
2017

OMB Control No: 2506-0117 (exp. 07/31/2015)
program participants receiving homelessness prevention assistance are required to be re-evaluated at least once every three months; and (3) no program participant may receive more than 24 months of assistance in a three-year period. There are standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receive assistance, or the maximum number of times the program participants may receive assistance. Except as provided for housing stability case management in §576.105(b) (2) of the Interim Rule, no program participant may receive more than 24 months of assistance in a 3-year period.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Knoxville-Knox County CoC has designated Knox HMIS as its coordinated assessment system. Use of Knox HMIS for intake and assessment creates a "no wrong door" scenario that enables those seeking help to come into the system through any participating provider and, through the intake and assessment process, gain access to the resources that will most appropriately and effectively meet their needs.

2. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City has a “Request for Proposals” process where organizations and agencies can submit an application. The applications list the component areas of the ESG program. Prior to the submission of applications, the City holds a Technical Assistance Workshop to review ESG programmatic structure, go over specific questions in the application, and to answer questions. Upon receiving applications, the City has a staff review team. Each application is rated on how the proposed program fits within the ESG programmatic components and meets a crucial homelessness based need. Organizations and agencies are then recommended for funding. Contracts are developed which outline expectations, rules, regulations, policies and procedures.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(e), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The Mayor's Roundtable on Homelessness is a forum for addressing long term solutions. This group is diverse, and includes organizations, agencies, civic leaders and a former homeless individual. The Knoxville-Knox County Homeless Coalition is a larger entity and has several former homeless individuals, many of whom now work at homeless shelters or human/social service agencies. All of the City’s subgrantees have a homeless individual or a former homeless client on either their advisory council or board of directors. The City believes that these
individuals provide a wealth of knowledge, and maintains documentation on file to support that this level of interaction occurs.

4. Describe performance standards for evaluating ESG.

There is a performance criteria section in each subgrantee contract. Components include: (1) Quantifiable Performance Standards (the services an organization/agency will provide); and (2) Quarterly Performance Goal (a numerical projection of what an organization/agency will achieve each quarter). On a quarterly basis, organizations and agencies submit reports describing services rendered and number of individuals served. The City reviews these reports to measure, validate and verify how services have improved and enhanced the lives of clients in compliance with ESC standards. At the end of the contract period, organizations/agencies provide a cumulative report, and the City uses this information to assess performance as well to formulate data for year-end reports.

The City monitors each subgrantee on a yearly basis. Monitoring is done on-site. The focus of monitoring is:
(1) To review operations: administrative, financial and programmatic;
(2) To assess the reliability of internal controls (general management/business practices and procedures);
(3) To verify contractual and regulatory compliance (city, state and federal);
(4) To verify that goals and objectives (performance criteria and standards) are met.
(5) To verify the civil rights requirements are met;
(6) To test the reliability/validation of invoices and reports (documentation);
(7) To determine if costs and services are allowable and eligible, and that clientele served is eligible; and
(8) To ensure and assure that the agency has the capacity to carry out the project.

Discussion:

The City has a monitoring checklist that spells out various criteria and items to review. A monitoring summary report is sent within thirty days of the visit. As appropriate, an organization or agency has thirty days to respond to any concerns/findings.
The Affordable Housing Crisis in Knoxville
Linda Rust, CD Administrator

Rising Disparity Between Household Incomes and Housing Costs

From 2005 to 2015:
- Home prices: 9.5%
- Rents: 15.5%
- Household incomes: 2.3%

- 2-bedroom rental = $17.19/hour wage required in Knoxville
- 95 hours/week needed at minimum wage to afford a 2-bedroom rental unit

Poverty - unemployment, underemployment, disabilities, raising young children, age (youth and elderly)
Energy costs can make housing unaffordable
Maintenance repair costs can make housing unaffordable
Decisions about renting vs. buying
What Makes Housing ‘Affordable?’

Affordable Housing ≤ 30% of income for housing costs (mortgage/rent, utilities, insurance, taxes)
- Cost Burdened: a household paying > 30%
- Severely Cost Burdened: paying > 50%

Knoxville MSA Area Median Income (AMI) in 2017 is $41,900
- Low to Moderate Income (51 - 80% AMI) 2017: $40,900 for a 4-person household
  $34,050 for a 1-person household
- Very Low Income (31 - 50% AMI) $32,050 for a 4-person household
  $21,720 for a 1-person household
- Extremely Low Income (0 - 30% AMI) $24,350 for a 4-person household
  $13,000 for a 1-person household

Financial Conditions

<table>
<thead>
<tr>
<th>LMI Household Income</th>
<th>Cost Burdened</th>
<th>Cost Burdened</th>
<th>Cost Burdened</th>
<th>Cost Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 1,290 households ≤ 30%</td>
<td>80 (69%)</td>
<td>77 (69%)</td>
<td>71 (69%)</td>
<td>81 (69%)</td>
</tr>
<tr>
<td>1,291 households ≤ 30% to ≤ 40%</td>
<td>99 (83%)</td>
<td>98 (83%)</td>
<td>89 (83%)</td>
<td>95 (83%)</td>
</tr>
<tr>
<td>1,480 households &gt;60% to &gt;80%</td>
<td>1,75 (45%)</td>
<td>75 (45%)</td>
<td>75 (45%)</td>
<td>75 (45%)</td>
</tr>
<tr>
<td>45,685 LMI households (99% of all households)</td>
<td>1,710 (64%)</td>
<td>1,691 (64%)</td>
<td>1,662 (64%)</td>
<td>1,672 (64%)</td>
</tr>
</tbody>
</table>

- 26,910 households (60% of LMI households) are cost-burdened
- 14,495 households (32% of LMI households) are severely cost-burdened

Physical Conditions

Aging Housing Stock
- Overcrowded: > 1.01 people per room
- Severely Overcrowded: > 1.51 people per room
Annual Action Plan
2017

Homeownership Housing

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Affordable</th>
<th>Cost Burden &gt; 30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20%</td>
<td>46%</td>
<td>9%</td>
</tr>
<tr>
<td>&gt;20-35%</td>
<td>57%</td>
<td>47%</td>
</tr>
<tr>
<td>&gt;35-60%</td>
<td>63%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Rental Housing

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Affordable</th>
<th>Cost Burden &gt; 30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20%</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>&gt;20-35%</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>&gt;35-60%</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Age/Physical Condition of Occupied Housing

<table>
<thead>
<tr>
<th>Condition</th>
<th>Pre-1980</th>
<th>After 1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall 6</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Overall 6</td>
<td>66%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Housing Availability

Not enough supply to account for household gains.
Residential Building Permits are increasing, but still down from 2017.

Not enough affordable housing supply to meet demand.

- Purchase affordability: \( P < 2.5 \times (1.05 \times \text{annual income}) \)
- Tighter credit markets post-recession means that homebuyers are being approved for what they can afford.
- Rental affordability ≤ 30% of income.

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Low</td>
<td>19,160</td>
<td>55,100</td>
<td>525,100</td>
<td>11,300,000</td>
<td>532,100</td>
<td>25,125</td>
<td>2,130</td>
<td>2,130</td>
<td>11,300,000</td>
<td>532,100</td>
<td>25,125</td>
<td>2,130</td>
<td>2,130</td>
<td>11,300,000</td>
<td>532,100</td>
<td>25,125</td>
<td>2,130</td>
<td>2,130</td>
<td>11,300,000</td>
<td></td>
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</tbody>
</table>
Homeownership

Still desirable by most.
Still the best way for many lower income households to build wealth.
Stabilizes neighborhoods.

Differences across geographies

<table>
<thead>
<tr>
<th>Area Category</th>
<th>Tennessee</th>
<th>Knox County</th>
<th>Knox Suburb</th>
<th>Knoxville</th>
<th>Pen Metro Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>Median</td>
<td>Median</td>
<td>Median</td>
<td>Median</td>
<td>Median</td>
</tr>
<tr>
<td></td>
<td>Income</td>
<td>Income</td>
<td>Income</td>
<td>Income</td>
<td>Income</td>
</tr>
<tr>
<td>Group</td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
</tr>
<tr>
<td></td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
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<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
<td>Estimate</td>
</tr>
</tbody>
</table>

Knoxville City - more renters
In all areas, renters pay a much higher proportion of their income on rent.

Complex Factors at Play

Market Forces
- Home values have increased 9.8% between 2005 - 2015
- $158,000 median home value in 2016
- Significant increases in the last six months
- Across the city, not just in particular neighborhoods
- Definitely a "Seller's Market"

Barriers to Purchasing
- Credit must be at least 640 or above (preferably 700 or better)
- Debt is a big factor
- Lack of savings
- Down payments are a barrier - FHA still requires 3% down, but programs exist in Knoxville/Knox County that can lower down payments to 1% (C00-$1,500)
- Section 8 Vouchers can be used to pay a mortgage
- Silly competition for new houses on market
Homeowner Vacancy Rate

- Increased competition
- Unpredictable process and timeline
- May hold significant fiscal cost prohibitive to most lower-income households

Barriers to Development
- Increased land/property values
- Increased construction costs (need to move 2B)

Rental Housing

Lower homeowners = more renters in general (all incomes)

Vacancy Rate (per community area)

Higher income renters = higher rents and more profit
Market Rate Rent in Knoxville:

- Over the Past Five Years in Knoxville:
  - The average apartment rent has increased by $27/month (3.2%)
  - One-bedroom has increased $15/month
  - Two-bedrooms have increased $228/month

- Over the Past Year in Knoxville:
  - The average apartment rent has increased by $51/month (6.2%)

![Market Rate Rent Table]

Rental Housing:

![Rental Housing Table]

Annual Action Plan 2017
Subsidies to Make Rent Affordable

- Section 8 Housing
  - Affordability Periods
    - Units lost: 400 per the plan year
    - Total of 120 days to use a voucher
    - Only 40% are finding an available unit to move into
  - Maintenance/Rehabilitation: 648 units

<table>
<thead>
<tr>
<th>Former Section 8 Apartment Communities</th>
<th>Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mariner Manor (NK Housing)</td>
<td>102</td>
</tr>
<tr>
<td>Middlesex Wood (NK Housing)</td>
<td>228</td>
</tr>
<tr>
<td>Willow Creek (NK Housing)</td>
<td>134</td>
</tr>
<tr>
<td>Southern South (NK Housing)</td>
<td>102</td>
</tr>
<tr>
<td>Fremont Villa (NK Housing)</td>
<td>136</td>
</tr>
<tr>
<td>Barona Village (NK Housing)</td>
<td>177</td>
</tr>
<tr>
<td>West Vista Ridge (NK Housing)</td>
<td>92</td>
</tr>
<tr>
<td>Total</td>
<td>1,028</td>
</tr>
</tbody>
</table>

Subsidies to Make Rent Affordable

- Public Housing (KCDC) 3,515 units / 3,500 vouchers
  - Maintenance/Rehabilitation: 873 units
  - Wait List:
    - Efficiency: 9 mos - 3 years
    - 1 bedroom: up to 2 years
    - 2 bedroom: up to 3 years
    - 3 bedroom: up to 5 years

- Elderly
  - Designated units: 3 mos - 1 year
  - up to 5 years
  - Non-elderly
    - Non-disabled, single: up to 5 years

Barriers to Development
- Most new rental construction is higher-end housing
- 87.7% (nationally) of low cost rental housing converted to higher-end housing
- Tax Credits losing value less incentive for developers to use them
- NIMBY community pressure + zoning

Annual Action Plan 2017
Most Impacted by Lack of Affordable Housing

The Workforce
- Minimum Wage is $7.25/hour = $16,880/year x 33% = $5,777/month
- Lack of a Living Wage

<table>
<thead>
<tr>
<th>Annual Action Plan 2017</th>
<th>OMB Control No: 2506-0117 (exp. 07/31/2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Common Public Sector</th>
<th>Start by Salary (2016)</th>
<th>Cost/AMI 80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Public Service</td>
<td>37,772</td>
<td>35,041</td>
</tr>
<tr>
<td>City Office Assistant</td>
<td>52,104</td>
<td>50,024</td>
</tr>
<tr>
<td>Police Officer</td>
<td>59,337</td>
<td>56,008</td>
</tr>
<tr>
<td>Teacher (B.A.)</td>
<td>53,730</td>
<td>50,330</td>
</tr>
<tr>
<td>Firefighter</td>
<td>59,174</td>
<td>55,115</td>
</tr>
</tbody>
</table>

The Lowest Income Residents
- 28,075 households in Knoxville are at 0-50% AMI
- 13,706 (70%) of whom are cost-burdened
- 15,605 (55%) are severely cost-burdened
- Seniors, people with disabilities, minorities, women, immigrants, refugees
- Small family households (1-2 people)
- Families with young children

Consequences/Lack of Sufficient Affordable Housing
- Housing Instability - inability to afford housing long term
- Increases in housing costs and utilities over time
- Other financial hardships (car repairs, medical bills, etc.)
- Homelessness
- Limited Choices - little choice in location leads to difficult decisions
- Transportation costs - access to public transit vs. private automobile
- Lack of amenities - schools, family supports, parks
- Struggling neighborhoods - crime
- Concentration of poverty
- Food Deserts

Overcrowding
- "Sharing Up / Couch Homelessness"
- "Living in housing meant to be temporary - motels, SROs"
- "Subsidized housing - grounds for eviction of both households"

Abuse/Housing Discrimination
- Increased personal → family household → community tension
Affordable Housing Programs (City of Knoxville)

US Dept. of HUD Community Development Block Grant
- Housing rehabilitation (homeownership and rental)
- Emergency home repairs (non-severely damaged)
- Energy-efficiency improvements (homeowner and rental)

US Dept. of HUD HOME Investment Partnership Grant
- New affordable rental and homeowner housing rehabilitation, development, and new construction
- Direct payment assistance

US Dept. of HUD ESG Emergency Solutions Grant
- Non-emergency programs, (rental housing, case management)
- Essentiality, technical (and government housing services)

US Dept. of HUD Office of Healthy Homes/Lead Hazard Control
- Lead-based paint screening and education
- Healthy Homes

City General Funds
- Case management as a part of permanent supportive housing
- Support of KCDC redevelopment of Five Points

Take-Aways

1. The decreasing supply of affordable housing doesn't just impact the very poor (although it does impact them disproportionately), it also impacts those in the workforce.

2. More resources are needed, not less. Supporting affordable housing initiatives are much less costly than supporting the myriad of social problems that result.

3. Affordable housing requires good planning. It needs to be near jobs, public transit, and neighborhood amenities.

4. Housing developers and operators need to think more creatively about including affordable rental housing in their developments. Mixed income neighborhoods are vibrant neighborhoods!

5. YOU can get involved in public processes that deal with proposed affordable housing. Instead of being of the ‘MY BY (Not In My Back Yard)’ mindset: more people are needed to step-up and say, ‘Yes! We do need this in my community!’

Annual Action Plan 2017

OMB Control No: 2506-0117 (exp. 07/31/2015)
Thank You.
Questions?
What is considered low income?

The U.S. Department of Housing and Urban Development (HUD) has different determinations of income level. HUD income limits are adjusted annually and are based on formulations for the Knoxville HUD Metro FMR (Fair Market Rent) Area. For 2017, the Knoxville Area Median Income is $51,900/year. Generally, to be considered low income by HUD, total household income must be at/below 80% of median area income, adjusted for family/household size.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>One person</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(0-30% of median income)</td>
<td>$13,000</td>
<td>$16,020</td>
<td>$20,360</td>
<td>$24,300</td>
<td>$28,440</td>
</tr>
<tr>
<td>Very Low Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(30-50% of median income)</td>
<td>$21,700</td>
<td>$24,800</td>
<td>$27,900</td>
<td>$30,950</td>
<td>$33,450</td>
</tr>
<tr>
<td>Low/Moderate Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(50-80% of median income)</td>
<td>$34,650</td>
<td>$39,600</td>
<td>$44,550</td>
<td>$49,500</td>
<td>$53,500</td>
</tr>
</tbody>
</table>

What is considered an affordable housing cost?

Housing costs are considered affordable* to an individual/family/household when rent (or mortgage, property taxes and insurance) and utilities are no more than 30% of a household's income. Households that pay more than 30% are considered cost-burdened; those paying more than 50% of their income in housing costs are severely cost-burdened.

For example, a full-time employee earning the minimum wage ($7.25/hour) in Tennessee in 2017 earns $15,080/year and is considered very low income if they are a single person household. With dependents, their income determination is extremely low income. He/she would be able to afford $377/month in housing costs, according to the HUD definition. Remember, housing costs include utilities! Likewise, two full-time employees earning minimum wage would earn $30,160/year and be considered low/moderate income, unless they had a couple of children. They would be able to afford $754/month. And many people work less than a full-time job. A person earning minimum wage in Tennessee would have to work 95 hours/week to afford a two-bedroom apartment in Knoxville or they'd have to earn $17.19 an hour (based on $894/month rent for a two-bedroom apartment in Knoxville – February 2017 – rentjungle.com).

Below are some common public jobs that pay more than minimum wage and what they could afford, by HUD's definition:

<table>
<thead>
<tr>
<th>Common Public Jobs</th>
<th>Starting Salary (2016)</th>
<th>Affordable Housing Cost*/Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Public Service Worker</td>
<td>$22,572</td>
<td>$664</td>
</tr>
<tr>
<td>City Office Assistant</td>
<td>$25,164</td>
<td>$629</td>
</tr>
<tr>
<td>Police Officer</td>
<td>$40,337</td>
<td>$1,008</td>
</tr>
<tr>
<td>Teacher (B.A)</td>
<td>$37,180</td>
<td>$930</td>
</tr>
<tr>
<td>Firefighter</td>
<td>$36,774</td>
<td>$919</td>
</tr>
</tbody>
</table>

HUD also publishes Fair Market Rent rates that are updated annually for the Knoxville HUD Metro FMR Area. For 2017:

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Efficiency</th>
<th>One-bedroom</th>
<th>Two-bedroom</th>
<th>Three-bedroom</th>
<th>Four-bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUd FMR</td>
<td>$520/month</td>
<td>$685/month</td>
<td>$811/month</td>
<td>$1,057/month</td>
<td>$1,374/month</td>
</tr>
</tbody>
</table>

Market rate rents in Knoxville

(RentJungle.com as of Feb. 2017) $747/month average $694/month average

% of occupied rental housing units:

- 5% (2-3 bedrooms)
- 26% (2-3 bedrooms)
- 54% (2-3 bedrooms)
- <5% (4+ bedrooms)

According to the 2015 American Community Survey 1 Year Survey Est. (most recent year released) for Knoxville City:

- The number of renter-occupied units has increased to 55% (43,817) of the total occupied housing units (79,736)
- Over 25,589 (58.4%) of the total renter-occupied units (43,817) were built before 1980 (over 38 years old)
Funding up in the air for Community Development

Tyler Whatstone, USA TODAY NETWORK - Tennessee 8:08 p.m. ET Jan. 12, 2017

Every year the Knoxville Community Development Department holds a progress update meeting on their current five-year plan and most years it is a pretty straightforward process. But this year, because of budget uncertainty stemming from Congress and President-elect Donald Trump's administration, leaders in the department are having a difficult time planning ahead.

The department runs almost entirely on Housing and Urban Development and Community Development Block Grant funding each year. The funding provides money for low-income housing and helps the city deal with slum and blight among a lengthy list of other uses.

In 2016-17, the two funds accounted for over $2 million in funding for the department, $740,000 and $1.3 million, respectively.
However, the federal government is currently funded through a continuing resolution that expires April 28 and funding levels for HUD and other federal grants aren’t certain, not to mention a new administration that may or may not put an emphasis on programs the Community Development Department regularly uses.

All of it has made this an "uncertain year," Becky Wade, community development director, said earlier this week.

"I don’t see us venturing into any new projects or something coming to us in the public meeting Thursday night and us going, ‘Oh yes, we’re going to take money away from this and put it in this for the next year,’ I just don’t see that happening," she said.

Wade and Linda Rust, community development administrator, met with the public and updated them on how various programs progressed in 2016, but neither were sure what next year’s budget would look like.

Earlier in the week both said they were hoping for similar funding. Wade called it the "best-case scenario." Rust said their budget process will be off by at least six weeks, maybe longer.

"It’s kind of put us off a little bit," she said. "(We’re) waiting for the new administration to come in and be able to weigh in on that budget.

"It’s kind of an uncomfortable place to be because we don’t really know the resources (we’ll have) to address problems. But at least we can talk about trends and where we’ve been in the last few years," Rust said.

After Thursday night’s public meeting, which is a requirement of HUD, Wade said the department has talked about what it would do with less funding, but they haven’t made any concrete plans.

"We’ve discussed (pulling back)," she said. "Until we know definitely what that amount might be — how much lower — then we don’t really want to start talking about contingencies. … We’re very experienced with slight losses of funding (and) we’ve coped quite well."
Affordable rental housing hit hard in Knox, elsewhere

Kristi L. Nelson, USA TODAY NETWORK – Tennessee Published 5:14 a.m. ET Feb. 20, 2017 | Updated 5:43 p.m. ET Feb. 20, 2017

Between 8 a.m. and 3 p.m. on the second Wednesday of every month, Debbie Taylor-Allen takes applications for Section 8 housing vouchers.

With those vouchers, originally part of a government program that began in 1974 to fight the segregation of the poor into “ghettos,” if people can find a landlord who participates in the Section 8 Housing Choice Voucher Program, the government will pay the landlord to make up the difference between what the unit rents for and what the tenant can afford. That’s because the U.S. Office of Housing and Urban Development defines “affordable housing” as costing not more than one-third of a family’s income.

In times past, there have been more applicants than vouchers available. That’s not the case now, said Taylor-Allen, who is Section 8 Housing Director for the Knoxville Community Development Corporation. She has “plenty of vouchers” for people who apply.
The problem now, she said, is that they can’t find anywhere to use them.

In the past year, Knox County has lost more than 400 Section 8 apartments. Residents who get the vouchers have 60 days initially to use them and can apply for up to two 30-day extensions. Nearly all are applying for the full 120 days, Taylor-Allen said — and even then, she estimates only 40 percent are finding a Section 8 unit to move into.

“It’s even harder if you’re single,” she said. “One-bedrooms and efficiencies (taking Section 8), you cannot find in Knoxville.”

Section 8 shortage

The Section 8 shortage Knox County is seeing is happening all over the country. A study last year out of New York University’s Furman Center indicated the U.S. is losing around 125,000 affordable housing units a year. Landlords either don’t renew their contracts, or the units are demolished and replaced with something other than Section 8 housing.

Knoxville has seen both happen. More than a third of the total renter-occupied units in Knoxville were built before 1980. And since March 2016, the city lost more than 400 units because a 15-year Section 8 contract many landlords had is expiring, and they’re choosing not to renew, Taylor-Allen said. The old contract came with a substantial tax credit as incentive; new tax credits aren’t as lucrative, she said.

“Once those contracts have expired, those owners are not required to rent to low-income families anymore,” she said.

Those contracts affected many complexes that had a mix of Section 8 and open-market housing.

The former Prestwick Ridge complex, off Sutherland Avenue, had 136 units. But it was bought by a Nashville-based company, which renamed it “Mountain Brook” and decided to cease taking Section 8 vouchers when the contract expired, the property manager said.

The 101-unit Southwood Apartments complex, on Sevier Avenue in an area of South Knoxville being gentrified with the waterfront redevelopment, has been renovated and renamed “The Adelaide” — and no longer accepts Section 8.

West Knoxville’s Briarcliff at West Hills and Surfer’s Mill apartments, with 377 and 225 units respectively, did not renew their Section 8 contracts, nor did Meadowood Apartments or Norwood Manor in Northwest Knoxville. The most recent loss was the former West Vista Ridge Apartments, which had 96 units; now renamed “The Vue at Ridge Way,” it has open-market units starting at $750 a month, but the rents are higher than Section 8 can approve, so Section 8 tenants are being asked to move as their leases expire, Taylor-Allen said.
Each year, HUD calculates “fair market rent” for housing in the Knoxville metropolitan area, in part to determine Section 8 subsidies. For 2017, Knoxville’s monthly fair market rent was $520 for an efficiency; $669 for a one-bedroom; $811 for a two-bedroom; $1,057 for a three-bedroom, and $1,374 for a four-bedroom. But RentJungle.com, which tracks market-rate rents, found Knoxville apartments last month averaged $751 monthly for a one-bedroom and $892 monthly for a two-bedroom -- an average monthly increase of $33 over the past six months.

That average includes apartments and houses in outlying areas where public transportation is not available to those without a car. It does not include rent-by-the-week hotels or motels, RVs or motorable housing, or campgrounds, none of which qualifies as “permanent” housing by government standards. It also doesn’t include utilities, taxes and other housing costs beyond rent.

And without subsidies, it’s still out of reach for a lot of working people. At minimum wage, a Tennessean would need to work 65 hours a week to afford a one-bedroom apartment, according to the National Low Income Housing Coalition. Annual starting salary for a Knoxville city public service worker in 2016 was $22,572; one-third would be $677. Of a police officer’s starting salary of $40,337, HUD says no more than $1,201 a month should go toward housing, including rent and utilities; for a firefighter, starting at $36,744, it would be $1,102. And a bachelor’s degree-level teacher this year, starting at $37,501, would be able to afford $937 a month for housing by HUD’s standards. More than half of city residents -- 43,817, or 55 percent -- now rent, according to the 2015 American Community Survey.

Paying more than one-third of their income toward rent isn’t feasible for many people, said Linda Rust, Community Development Administrator for the city’s Department of Community Development -- especially senior citizens on a fixed income, recent college graduates with student loan debt, or people who have children.

“I’ve seen the affordable housing crisis up front,” said Rust. “I hope that people can understand that this is impacting people that we know. This could be impacting us.”

More demand than funds

Though Section 8 is the primary source of financial assistance for those seeking to rent, there are other programs -- though funding is in short supply.

Through its Homeward Bound program to prevent homelessness, the Knoxville-Knox County Community Action Committee applied for, and received, a $100,000 grant from the Tennessee Housing Development Agency last July. But all that housing money was gone in the first three months, said CAC program manager Misty Goodwin. And even though “we exceeded our goals of the number of people we were going to help” with that grant money, she said, it will be six months before they can reapply for the grant.

Meanwhile, at least a couple of people a day come into CAC offices seeking help getting into housing, not counting those referred from homeless shelters like Knox Area Rescue Ministries, Goodwin said. Right now, she has four families living in their cars who can’t afford to move into
an apartment. Family Promise, the only homeless services program that would let them stay together, has a waiting list.

"Up until this point, we've been one of the only agencies, besides Helen Ross McNabb Center, with money" to help with deposits or first and last months' rent for those who aren't able to save enough to move in, Goodwin said. Though they've had a little local funding to help, it, too, goes quickly, and federal grants have increased very little over the past 25 years - not enough to keep up with rising housing costs.

CAC also has two full-time workers who do "street outreach" to homeless people living outdoors, trying to help them secure permanent housing. But even when CAC has money to help with deposits and rent, they don't have extra for household items many people lack: sheets, towels, pots and pans, dishes and cleaning supplies.

"That's a huge need right now that we're all struggling with, and we're not allowed to buy those things out of our grant money," Goodwin said.

She gingerly suggests some organizations who regularly take items to the street homeless under downtown bridges might consider redirecting their efforts toward furnishing such supplies. The city has said maintenance workers spend the first two hours of each shift cleaning up "debris" downtown - including items given to the homeless that they can't or don't carry with them or take into the shelters, where they're given limited space for possessions.

Public housing changes

In addition to Section 8 contracts, Knoxville has a number of low-income public housing developments — 3,515 units, total — but wait times can be years. The Passport development at 901 Broadway has a wait time of more than a year for a two-bedroom unit, more than two years for three- or four-bedroom units. Five Points Family multiplexes, which are replacing Walter P. Taylor Homes, have a two-year wait. Even in larger and less-popular developments — Austin Homes, Montgomery Village, Taylor Homes and Western Heights — waits for one-bedroom apartments start at 4-5 months.

At sites designated for the elderly and disabled — Northgate Terrace, the Verandas at Flemmons, Five Points Duplexes, the Residences at Eastport, Cagle Terrace, Isabella Towers and Love Towers — waits for one-room studios, where available, stretch from three months to a year; waits for one-bedrooms are up to five years at some locations.
Construction has begun on the Residences at Five Points, a new $10 million, 90-unit senior living development. The majority of the units will be approximately 600 square foot, one-bedroom residences, including a full kitchen, living room and bath. The building is expected to be finished in July.

(Photo: SAUL YOUNG/NEWS SENTINEL)
A floor plan of a one-bedroom unit at the Residences at Five Points. The unit includes a full bath, kitchen, living area and bedroom. There will be laundry facilities on site. (Photo: SAUL YOUNG/NEWS SENTINEL)
Construction has begun on the Residences at Five Points, a new $10 million, 99-unit senior living development. The majority of the units will be approximately 600 square feet, one-bedroom residences, including a full kitchen, living room and bath. The building is expected to be finished in July. (Photo: SAUL YOUNG/NEWS SENTINEL)

Wait time is affected by whether an applicant is disabled, elderly or has children, said Kara Davis, Regulatory and Housing Compliance Director for KCDC. A family wanting a two-bedroom apartment could get one in 9 months to three years, she said; units with more bedrooms are “harder to come by,” though Montgomery Village has some.

“The average wait for a single, non-disabled, nonelderly person is a long time,” Davis said. “It can be five-plus years.”

KCDC will have 878 fewer units to lease in coming months as it renovates the Vista at Summit Hill, Northridge Crossing (formerly Christenberry Heights), Lomahde Homes and Lee Williams Senior Complex in Five Points. In addition, Green Hills, a non-KCDC low-income housing development east of downtown, is renovating all 199 units, which will be unavailable until at least mid-summer.
Minimum wait time for two-bedroom public housing apartment (Photo: Photo Created with Piktochart)

Current residents won’t be moved out of KCDC’s complexes, Davis said, though they might be moved into renovated apartments so theirs can be renovated.

“As properties stop leasing, we’re sending mass updates” to people on the waiting list, she said, telling them “their place on the waiting list is safe, but they should not expect to lease at those particular properties.”

As of Feb. 1, KCDC had converted five of its low-income public housing to Project-Based Rental Assistance (PRA) and Western Heights to RAD/PBRA within the next two years.

HUD began offering the voluntary RAD/PBRA program, which is similar to Section 8, to housing authorities when it became clear that the federal funds subsidizing low-income public housing were unstable, with no extra money for improvements.

RAD/PBRA removes some of the administrative burden associated with low-income public housing management and turns rent into defederalized money, removing some restrictions—similar to a traditional landlord-tenant contract. In theory, this allows housing authorities to find money HUD isn’t offering to rehab aging developments, and it frees them up to seek their own financing. The RAD/PBRA program includes a financial plan and long-range operations plan.
While it will alter some of the ways KCDC manages properties, residents will see little change, other than the renovations, Davis said.

"Basically, we are being handed a tool we can use for modernization of our properties, but since many PHAs are taking advantage of this tool, we are bound to see an increase in the homeless population nationally while these modernizations are under way," she said. "Many of the larger housing authorities are taking advantage of it."

Few new landlords

The city is also hoping to attract developers willing to build low-income housing. At the Jan. 9 meeting of the Mayor's Roundtable on Homelessness, Becky Wade, the city's community development director, noted two developers are interested in building a total of around 200 units, though they haven't yet secured the land. HomeSource, formerly Knox Housing Partnership, also is building some duplex units that will take Section 8, Taylor-Allen said.

Meanwhile, Taylor-Allen said the need for landlords willing to accept Section 8 just gets more dire. In an effort to attract property owners to the program, the government has decreased some of the paperwork, she said— for example, moving to routine inspections every other year instead of yearly. (Complaints are still investigated.) A recent change no longer holds landlords solely responsible for paying for bedbug extermination, a big program in some low-income housing developments, she said; HUD has decided the inspector can put the burden of pest control on the tenant if the tenant caused the infestation.

CAC offers free weatherization through the Knoxville Extreme Energy Makeover program to landlords who agree to accept Section 8 for at least two years after it's complete. So far, 95 units have been renovated, but they all were already Section 8, Taylor-Allen said; the program, set to end next year, hasn't motivated new landlords to begin accepting Section 8.

Knox County's waiting list for Section 8 housing right now is open to displaced, homeless or disabled residents. About 1,400 are on it, Taylor-Allen said there are a few Section 8 units open and a few vacancies at Western Heights — but not nearly enough.

"We need landlords," Taylor-Allen said. "There are just not enough units in Knoxville for our tenants, and I fear the homeless cycle is going to just get worse."
Knoxville couple loses home after apartment stops accepting affordable housing vouchers

By Jennifer Webb Published: March 31, 2017, 6:58 pm

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KNOXVILLE (WATE) — Gaines and Darlene Clabough were forced to move out of their apartment complex after their landlord decided the complex would stop taking affordable housing vouchers.

The vouchers allow individuals and families to get rent discounts if they meet income limits. The government makes up the rent the tenant can’t cover.

“We’ve lived here 17 years,” said Gaines Clabough as he wiped tears from his eyes. “We didn’t hurt nothing, didn’t tear up nothing, didn’t do nothing for us and then come up and tell me to get out and it made me mad.”

Eighty-Four-year-old Gaines Clabough has liver cancer and receives hospice care. Their apartment complex decided they would no longer accept the vouchers after an ownership change.

Darlene Clabough packs up her kitchen.

Without vouchers the Clabough’s rent went from $271 a month to $679 and the couple was forced to relocate to another complex that is still accepting the vouchers. However, Misty Goowin with the Community Awareness Coalition (CAC) said those types of apartments are becoming more difficult to find in Knoxville.
“Many of the properties that were receiving those vouchers were tax credit properties and they’ve decided they are no longer going to continue to take section 8,” said Misty Goodwin with Knoxville-Knox County Community Action Committee (CAC). “They’ve reached their limit so they’re asking folks to leave, not renewing leases.”

According to the CAC, 774 units from 13 complexes in Knoxville have stopped accepting vouchers within the last year. Today, there are 1,914 affordable housing units and almost 3600 families with vouchers.

“The solution is certainly more affordable housing,” said Goodwin. “We need more landlords that are willing to take vouchers.”

The Claboughs say they hope their new apartment will be better.

“I was going to die right here on this couch,” said Gaines Clabough. “But they didn’t give me a choice. Hopefully I’ll get out of here and the lord will let me live a little while longer.”

Goodwin says proposed President Donald Trump administration’s proposed $6.2 billion budget cuts at the United States Department of Housing and Urban Development could force more people to move. While the exact impact of the budget cuts on vouchers is unclear, The National Low Income Housing Coalition has calculated that 200,000 people could lose the vouchers nationwide.
New affordable housing planned for South Knoxville

Tyler Whetstone, USA TODAY NETWORK – Tennessee Published 12:03 p.m. ET April 5, 2017 | Updated 6:49 p.m. ET April 5, 2017

City leaders are pushing for Knoxville's next affordable housing apartment complex just across Fort Loudoun Lake in South Knoxville and construction could start as early as this fall.

The proposed location for the 160-unit building is currently an open field behind Bojangles' on Martin Mill Pike, off Chapman Highway.

The complex, which would have one, two and three-bedroom apartments on a Knoxville Area Transit bus line, would be limited to people and families who live at 60 percent of Knox County's area median income or someone living on a teacher or police officer's salary, Community Development Director Becky Wade said. The median income in Knox County is $51,990 so someone living on $26,040 for a single person or $37,140 for a family of four would be eligible.
RELATED: Affordable rental housing hit hard in Knox, elsewhere

"It creates a nice living area for people who might work in the city or work in South Knoxville," Wade said. "It provides affordable living for workers who we need for various jobs, whether it's retail or whatever."

City officials have expressed support for the proposed complex, hoping it will help stem the tide of an affordable housing shortage across the city. The Office of Community Development is proposing to put some $900,000 in federal grant money towards the project, $700,000 from Community Development Block Grant money and $700,000 from the HOME program, according to Wade.

"The apartments will provide an affordable housing option for families desiring to live in the South Waterfront Area," Wade said. "Close to downtown, shopping and on a bus line, the housing is a needed resource for South Knoxville and the City."

The property sits at the base of a hill. Wade said the wooded area and the hill will remain intact and turned into walking trails around the complex.

RELATED: Trump budget would cut Knoxville funds

Nashville based Elmington Capital will own and manage the complex. The company owns and manages 20,000 apartments in 10 states, according to a news release.

There will be a community meeting to find out more about the proposed complex Wednesday, April 19 at Greystone Presbyterian Church, 139 Woodlawn Pike at 6:30 p.m.

The proposed complex has yet to go before the Metropolitan Planning Commission or the Knoxville City Council. Both bodies will have to approve the plans before construction can begin.
Knoxville working to increase affordable housing, seeks comments

WATE 6 On Your Side Staff Published: April 12, 2017, 2:58 pm Updated: April 12, 2017, 3:01 pm

KNOXVILLE (WATE) – Knoxville is working to increase the amount of affordable housing options for low-income families in the city.

The Community Development Department unveiled its proposed annual action plan, which includes an estimated $2.5 million budget to work with. Roughly 30 percent would go toward construction of 197 new affordable rental housing units for low and very low income residents.

The plan is up for public review for 30 days and they’re asking residents to give their input. They can do so online at http://www.knoxvilletn.gov/development, in person on the fifth floor of the City County Building or at the Knoxville-Knox County Community Action Committee on Western Avenue, or by calling 865-215-2180.
Knoxville’s Affordable-Housing Crisis Is Getting Worse

In Perspectives by Joe Sullivan April 26, 2017 Leave a Comment

Melissa is a single mother of three whose telemarketing job pays a little more than the minimum wage. Last fall she felt compelled to move out of her mold-infested apartment because her asthmatic 13-year-old son couldn’t tolerate it. But she was fortified with what’s known as a Section 8 housing voucher issued by Knoxville’s Community Development Corp. The voucher entitled her to a federal subsidy of the amount by which her rent exceeded 30 percent of her
income, which is the most that's deemed affordable, up to a KCDC-set Fair Market Rent (FMR). For the three-bedroom apartment she sought for her family, the FMR in Knoxville is $1,057 a month. So the voucher would be worth $607 a month atop the $450 representing 30 percent of her income.

However, after looking at more than 30 sites, with assistance from Knox CAC's Homeward Bound program, Melissa hadn’t found a single landlord willing to rent to her at the going rate. Because four months is all the law allows for a newly issued voucher to be outstanding, hers expired unused. Melissa and her family have remained relegated to living mainly in her 13-year-old van, interspersed with short stays in a hotel after each paycheck.

While Melissa’s plight may be more dire than others whose vouchers have expired, her inability to make use of it is anything but uncommon. Out of 246 vouchers issued between July and December of last year, only 87 recipients have succeeded in making use of them according to KCDC’s Section 8 director Debbie Taylor-Allen. Yet there is also a waiting list of 1,653 others who are seeking to receive one from a supply that remains static.

All of this is symptomatic of a severe shortage of low-income affordable housing both locally and nationally. According to Census Bureau data compiled by the Knox Metropolitan Planning Commission in 2015, there were more than 30,000 households in Knox County with incomes of less than $20,000. But the supply of rental units deemed affordable to them was only about 9,000. This includes some 3,500 units of KCDC-managed public housing and on the order of 2,000 units in privately owned complexes that were financed with Low Income Housing Tax Credits (LIHTC) and in return committed to keep their rents affordable for 15 years.

Lessening the shortfall somewhat, there are 3,596 Section 8 vouchers now in use whose holders are enabled to have apartments that would otherwise be affordable only to people in higher income brackets. Most of these must go, by law, to households with incomes below 30 percent of the Knox County median, which is $61,000.

Several factors are at work to make the shortage increasingly severe. One is the fact that over since the housing market crash of a decade ago, more households have been renting instead of owning all across the income spectrum. This trend has both been driving rental rates up and putting a premium on building new apartments that cater to the more affluent.

In Knoxville, average rental rates have climbed nearly 10 percent just within the past year, according to the authoritative RentJungle.com. For two-bedroom apartments, the average monthly rental is now $892, putting it well above the FMR of $811. That gap acts as a deterrent to renting to Section 8 voucher holders.

At the same time, affordable housing complexes built with LIHTCs have an added incentive to convert to higher-market rent properties once they have fulfilled their 15-year commitment to keep their rents down. That’s been happening big-time in Knoxville where at least seven complexes with a total of more than 1,000 units have come off the affordable rolls, often with new owners and renovations that make them much higher priced.

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“Landlords and developers are seeing the market for higher-end rental units so that’s what they are developing. If they can get more higher-end tenants, they are going to get more profit,” says Becky Wade, director of the City of Knoxville’s Department of Community Development.

The department recently produced a PowerPoint presentation entitled, “The Affordable Housing Crisis in Knoxville.” But it’s long on documenting causes and manifestations of the problem and short on identifying solutions.

Here, as nationally, one of the worst effects is that very-low-income households are being forced to pay far more for housing than they can afford. The National Low Income Housing Coalition estimates that 75 percent of those with incomes below 50 percent of the median are paying more than half of everything they earn for housing to the sacrifice of other needs. “For these households an unforeseen expense such as a car repair can turn into a disaster,” states a coalition report.

An approach that many cities, including 170 in California alone, have taken in an effort to augment the supply of affordable housing is called inclusionary zoning. It either requires or incentivizes developers to make a certain percentage of units in new projects affordable to low-income residents. When Nashville’s Metro Council began considering an inclusionary zoning requirement in 2015, the state Legislature quickly enacted a bill forbidding it. But Nashville Mayor Megan Barry last year committed $16 million of city funds to a trust fund that facilitates affordable development.

About the only funding that Knoxville has available for such purposes is derived from two longstanding federal programs, Community Development Block Grants and HOME. But the $2 million available from these programs for 2016 is little more than half of what it was a decade ago. And the Trump administration has recommended their elimination.

Still, with city assistance, two new LIHTC developments are in the works: a 38-unit project on Holston Drive and a 176-unit complex just off Chapman Highway. Moreover, developer Rick Dover has committed to low-income affordability for 12 of the 60 units at the assisted-living facility that’s going into his renovation of the former South High School.

As meaningful as these projects are, they are little more than a drop in the bucket in relation to the total need.
Joe Sullivan

Columnist

Joe Sullivan is the former owner and publisher of Metro Pulse (1992-2003) as well as a longtime columnist covering local politics, education, development, business, and tennis. His new column, Perspectives, covers much of the same terrain.
Mayor Rogero proposes $352.8M budget, no property tax increase

During Friday’s State of the City address, Knoxville Mayor Madeline Rogero detailed several major initiatives and plans to include in her next year’s proposed budget.

Rogero’s 2017-2018 budget priorities included a focus on affordable housing, LED streetlights, sidewalks, and urban wilderness.

The proposed budget is $352.8 million, which is a 16.9 percent increase over 2016-2017. However, Rogero said there would be no proposed property tax increase.

She explained that the budget growth comes from an increase in revenue, a capital bond issue, and strategic investment of a portion of the City’s fund balance.

Some of the initiatives in the proposed budget include converting Knoxville’s nearly 30,000 streetlights to LED technology, creating a new affordable housing fund, a $1.7 million investment in the Urban Wilderness Corridor in South Knoxville, and quadrupling the city’s budget for street improvements.

Proposed Initiatives:

- $1.5 million to convert Knoxville’s nearly 30,000 streetlights to LED technology. The investment will be funded with a bond issue, which is expected to pay for itself in lower energy costs in less than a decade, then save taxpayers an estimated $2 million a year.

- New affordable housing fund, with an initial investment of $2 million, to help fill gaps in development of underserved affordable rental housing.

- $1.7 million investment in Urban Wilderness Corridor including $400,000 for new Urban Wilderness trailhead and parking area at the southern end of James White Parkway, $1 million to improve access and facilities at Fort Dickson Quarry and $300,000 for a trail alongside Gulf and Ohio Railways tracks from Chapman Highway to James White Parkway.

- $2.05 million allocation for new sidewalks to allow the city to address three major identified projects in neighborhoods across Knoxville and fund a citywide study to help prioritize needed sidewalk connections.

Proposed Capital Investments:

- $5 million for phase one of the Magnolia Avenue Streetscape project.

- $3 million for permanent performance stage and drainage improvements to the South Lawn of World’s Fair Park.

- $2.1 million for improvements to the Knoxville Convention and Exhibition Center.

- $7.6 million to add two floors of parking to the State Street garage.
Mayors’ Budget Proposals Include New Projects, From BMX Track to World’s Fair Stage

Knoxville and Knox County mayors in the last week both presented bigger budgets for the coming year, with employee raises but no accompanying tax increases. However, the city’s budget would grow by 17.8 percent, while the county’s would increase by only 3.5 percent.
While Knox County Mayor Tim Burchett’s budget focuses on school and road projects with few new initiatives, Knoxville Mayor Madeline Rogero proposes big sidewalk additions, a sweeping streetlight efficiency project, and investments in public construction including a stage at World’s Fair Park.

Both budgets will likely have to be adjusted once the countywide property re-evaluation is completed this fall. They may also be affected by changes approved as part of the IMPROVE Act recently signed by Gov. Bill Haslam, which will provide local governments with more road funding but also reduce their potential income from the Hall tax.

Both budgets provide for public employee pay increases in the 2.5 to 3 percent range (depending on “steps” in their wage systems). And both chip in for a full year of operating the new behavioral health urgent care center, commonly called “the safety center”—even though it won’t be built in time to operate for a full year. The county will contribute $600,000 and the city $400,000 for the center, which is intended to divert mentally ill people who commit minor offenses to treatment instead of jail.

Roads, infrastructure, economic development, and Knoxville’s growth as a regional recreation hub were drivers in both proposed budgets.

City of Knoxville
Rogero’s $353.9 million proposed net budget is up 16.9 percent, mostly to cover capital projects.
It would be funded from growth in revenue, a capital bond issue that Rogero says “will pay for itself in cost savings,” and drawing down the city’s $99.8 million fund balance by $18.2 million.

Rogero’s budget would continue her longtime focus on extending redevelopment east from downtown by spending $5 million for the second phase of the Magnolia Avenue streetscape project, $1.5 million for a Downtown North streetscape overhaul, and $7.9 million for the same along Sevier Avenue. The Sevier improvements would be complemented by the addition of new restrooms, a pavilion, and a bus tour at the new SunTrek Landing Park nearby, for $1.6 million.

Rogero wants to enhance event venues downtown by spending $3 million on a permanent stage at World’s Fair Park and $2 million on improvements at the Knoxville Convention Center. To accommodate the additional downtown visitors, the budget includes $7.5 million to add two more floors to the State Street Garage, plus sensors to indicate available spaces. Similar sensors would be installed in the Market Street Garage. (In theory, this means no more creeping slowly to the top only to realize it’s full.)

Another new infrastructure initiative would make Knoxville the first of Tennessee’s major cities to convert to LED streetlights, enhancing sustainability while reducing costs. Rogero proposes using a capital bond issue to spend $17.5 million on retrofitting 30,000 lights, with the expectation that the savings will pay it off in less than a decade. (Rogero adds that this will put the city on track to exceed its goal of a 20 percent reduction in greenhouse gas emissions by 2020.)
The city would also try to address gaps in affordable housing and safe neighborhoods by budgeting $2 million to establish an affordable housing fund. The budget envisions continuing the city’s annual funding support the KCDC transformation of public housing at Five Points and of the new Change Center youth recreation center in East Knoxville. (Rogero’s budget also includes funds to provide direct bus service to the Change Center from various inner-city neighborhoods.) The city is also chipping in $1 million in infrastructure improvements for the recently announced Emerald Youth sports complex in Lonsdale.

Like the county, the city continues to bank on recreation as an economic driver. Rogero’s budget proposal includes $1.7 million for the Urban Wilderness development plan (including better access at Fort Dickerson Park and the three-mile Gulf and Ohio Railways trail to connect Mend’s Quarry with downtown), $25,000 for Sharp’s Ridge Veterans Memorial Park improvements, $100,000 for expansion of the downtown dog park, and $1 million (again this year) for greenways.

In addition, Rogero proposes quadrupling the usual funding for constructing sidewalks and crosswalks to $3.92 million—including $750,000 for sidewalks in areas where students live too close to school to be served by buses. The city will also conduct a comprehensive study of all its sidewalks to prioritize needs.

For 25 arts and cultural groups, including the Knoxville Symphony Orchestra, the Knoxville Museum of Art, Knoxville Opera, and the Beck Cultural Exchange Center, the proposed budget would provide $400,000 in grants. Like last year, Rogero proposes to give $1.2 million to community service organizations, although as usual the way those funds are divvied up would evolve.

For example, Big Brothers/Big Sisters of East Tennessee, which is in the midst of a push to sign up more mentors, will see an increase in funding from $2,500 to $16,000. Groups that have never before received city grants include the Tennessee Equality Project ($5,000), which advocates for the rights of LGBT people statewide, and the Community Coalition Against Human Trafficking ($50,000 to help purchase East Tennessee’s first safe house for sex trafficking victims).

Some of Rogero’s funding choices seem to place new emphasis on organizations that help refugees and immigrants, groups that have been targeted by several Trump administration executive orders this year.

Bridge Refugee Services and Catholic Charities of East Tennessee Immigrant Services would both receive first-time grants from the city for $5,500 and $5,500, respectively. Bridge would use the money to sustain its volunteer system since an AmeriCorps grant for coordinating volunteer services ran out, according to an email from Eric Vreeland, the city’s deputy communication director. The Catholic Charities grant will help the organization fund case-management software for the legal consultants who help Knoxville immigrants.

“Knoxville is a welcoming city, and we value the contributions of new immigrants who make Knoxville better and stronger,” Rogero said in an email. “We are supporting programs of Bridge
Refugee Services and Catholic Charities of East Tennessee that provide assistance to immigrants and refugees as they successfully transition to living, working and raising their families here.

Knox County
Burchett’s proposed budget is $798 million, about 63 percent of which would be used to fulfill the full budget request of Knox County Schools. That’s a $17.6 million increase over the current school operating budget.

The county reduced $4 million in costs from the budget with its recent voluntary workforce reduction of 79 employees, says Chris Caldwell, county finance director.

Other highlights include $4.1 million for 45 new vehicles, body cameras, and police radios for the Knox County Sheriff’s Office and $3.5 million for paving projects.

The county’s updated five-year capital plan focuses first on intersections that have been identified as safety problems because of the number of accidents there, with $100,000 for improvements at Brickyard Road/West Beaver Creek, Andersonville Pike/Hill Road, and Westland Drive/Emory Church Road. The big bucks will go toward the next phase of ongoing Schaad Road widening; $7 million in the 2018 budget. The five-year plan puts the total cost of all Schaad Road phases at $21 million.

To the extent that there is a wild card in Burchett’s budget—which was pretty straightforward, notwithstanding the confetti rocket he shot off at the end of his presentation Monday—it’s a plan to build a $750,000 BMX bike track at South-Doyle Middle School. The track will be located on what is now the football field, so a side benefit will be building a long-advocated new football field, as well as a new practice field, elsewhere on the property.

South-Doyle already connects with the Urban Wilderness and a professional downhill mountain-biking trail, through a path built last year. “The Devil’s Racetrack” trail on the nearby Baker Creek Preserve property is meant to attract world-class mountain-biking competitions, and the BMX track could potentially generate similar benefits, county officials say.

“If we land even one of these big events, it pays for itself, and people in the know say we have a good chance,” says Michael Gridir, Burchett’s communications director.

Burchett cited Louisville, Ky., and Rock Hill, S.C., as small cities that have signed deals to bring in the kind of major BMX events expected to generate millions in tourism revenue.

The BMX track would also be open to students and community members at least one evening a week or more for practice, says Mike Donila, community relations manager for Knox County Parks and Recreation. Gridir says the track would be managed by an outside contractor and further details haven’t been ironed out.

A public meeting about the proposal will be held on June 1 from 6 p.m. to 8 p.m. at South-Doyle Middle School.
A look ahead
Burchett is on track to reduce Knox County’s debt by $50 million before the end of his term. His original goal was twice that, and by the end of 2015 he had shaved it from $691 million to $635 million, Grider says. But Grider points to the subsequent decision to build two new middle schools as the reason that Burchett acknowledged last year he wouldn’t meet the original $100 million goal.

There are a few complications in budgeting this year because of uncertainty over how the new gas tax and reduction of the Hall tax would affect local government’s income; on top of that, the state changed its sales-tax system in mid-April and has been late and uneven in distributing funds to the county on time, Caldwell says.

While the city and county both view the overall revenue picture as mostly positive, the coming years are likely to pose a few challenges.

The city budget has, for several years now, predicted a low growth in personal and real property values, meaning property-tax revenue is likely to remain relatively flat for several years. The upcoming re-evaluation won’t help with income, because any increases in value must legally be offset by a drop in the tax rate.

Caldwell says an unquantified “big cost” coming up is the remediation measures that will be required under the Americans With Disabilities Act. The county will be working on a plan, with implementation starting in 2019, for upgrades and changes to buildings, greenways, and intersections to make them more usable by people with hearing, vision, and other physical impairments.

City Budget Hearings
Departmental presentations of their budgets to City Council will last all day on Friday, May 12, followed by a public hearing about the budget at 4 p.m. in the main assembly room of the City County Building (400 Main St.)

County Budget Hearings
County Commission will hold public hearings on the proposed budget at 3 p.m. and 6 p.m. on Monday, May 15, in the main assembly room; the commission will likely vote on the budget at its 5 p.m. meeting on Monday, May 22, although the agenda has not yet been finalized.

About the Author
Most Recent Stories
S. Heather Duncan has won numerous awards for her feature writing and coverage of the environment, government, education, business and local history during her 15-year reporting career. Originally from Western North Carolina, Heather has worked for Radio Free Europe, the Institute for War and Peace Reporting in London, and several daily newspapers. Heather spent almost a dozen years at The Telegraph in Macon, Ga., where she spent most of her time covering the environment or writing project-investigations that provoked changes such as new laws related to day care and the protection of environmentally-sensitive lands. You can reach Heather at heather@knoxmercury.com.
Knoxville mayor seeks $2M for affordable housing

Tyler Whetstone, USA TODAY NETWORK — Tennessee 5:06 a.m. ET May 4, 2017

In her State of the City address last week, Knoxville Mayor Madeline Rogero proposed $2 million in the city budget next year to help stem the worsening shortage of affordable housing across the city, a large step in her fight against what she warned could become a "crisis situation."

Currently, the city uses a mix of local and federal dollars to bridge gaps for property owners to help keep costs low so lower-income residents can continue to live there.

The money Rogero is requesting would be administered through the city's Community Development Department. The money will not be used as a subsidy for lower-income residents.

A proposed affordable housing apartment complex in South Knoxville is the city's latest attempt to keep people near the city at an affordable rate. The complex would be limited to people and
families who live at 60 percent of Knox County’s area median income, or someone living on $26,040 for a single person or $37,140 for a family of four.

“We don’t totally fund any project,” Community Development Director Becky Wade said. “We’re a gap filler, so the owner either gets a bank loan or low income housing tax credits ... we can fill that gap and that helps keep the units affordable.”

Wade said the problem is multifaceted. Federal funds are decreasing, but there’s an increased need at the same time, she said. The city has recently had 1,200 affordable housing units go to market-rate rentals, meaning they are no longer affordable for a number of residents. The city is not making up ground nearly that fast.

“We’re losing units where rents are increasing. We’re getting more and more market rate housing close to downtown. And so we need to be really intentional about including affordable units in the development that’s happening,” Wade said.

Rogero said the city has been adding local dollars to federally funded community development programs since former mayor Bill Haslam’s administration, but more is needed as funding sources dry up.

“We want to make sure folks aren’t left behind and that everybody is benefiting from this wave of prosperity that we’re seeing,” Rogero said Wednesday.

Earlier this year, President Donald Trump proposed the elimination of the Department of Housing and Urban Development’s $3 billion in community development block grants (CDBG) and the elimination of the HOME program, two programs the city’s Community Development department relies on heavily.

Rogero requested $2 million, but she admitted she isn’t sure if it will be enough.

“We will see, it’s a start,” she said. “Each year as long as I’m mayor we will see where we are. We think it’s a good start and time will tell whether we need more or if demand is there.”