Community Development Department
Becky Wade, Director
Linda Rust, CD Administrator

Annual Action Plan Public Meeting
January 31, 2019
Agenda

I. Community Agency Grants

II. Community Development

   Overview of Mission and Outcomes
   The Five Year Consolidated Plan
       Annual Action Plan
       Allocation Amounts
   Homeless Grant Application Timeline

III. Public Comments for Annual Action Plan

Break Out Groups
I. Community Agency Grants

There are two different application forms:

1. Arts and Culture
2. Community and Social Services

DEADLINE

Applications are due by 4:00 p.m. on Friday, Feb. 22, 2019.

Jennifer Searle
215-2267
jsearle@knoxvilletn.gov
II. Community Development

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

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

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

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

- **CDBG** – Community Development Block Grant
- **HOME** – HOME Investment Partnership Grant
- **ESG** – Emergency Solutions Grant

- Required by HUD every 5 years, due by May 15* of each year (most recent Plan was completed in May 2015)
- Involves extensive community participation
- Sets High/Low Priority activities for funding
- Updated annually (Annual Action Plan)
2015-2019 Five Year Consolidated Plan Priorities

Strengthen Neighborhoods

Promote Economic Development

Reduce and End Homelessness

Promote Affordable Housing
Constraints

Regulatory - HUD Requirements

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

2. HOME Funds
   - Affordable Housing for LMI households

3. ESG Funds (through THDA since 2014)
   - Homelessness
Low- and Moderate-Income (LMI)

Up to 80% of Area Median Income ($66,600 in 2018) adjusted for Household Size

<table>
<thead>
<tr>
<th>Income Level</th>
<th>1 p/HH</th>
<th>2 p/HH</th>
<th>3 p/HH</th>
<th>4 p/HH</th>
<th>5 p/HH</th>
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<tbody>
<tr>
<td>Low Income (51%-80%)</td>
<td>$37,350</td>
<td>$42,650</td>
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<td>$53,300</td>
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<td>$16,460</td>
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<td>$25,100</td>
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Notice PDR-2018-2/April 1, 2018
Federal Funding

Federal funds had been steadily decreasing for years.

Advocacy for Affordable Housing is Working!

<table>
<thead>
<tr>
<th>Year</th>
<th>CDBG</th>
<th>HOME</th>
<th>ESG</th>
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<tbody>
<tr>
<td>2010</td>
<td>$2,032,567</td>
<td>$1,391,991</td>
<td>$82,579</td>
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<td>2011</td>
<td>$1,693,648</td>
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<td>2012</td>
<td>$1,561,970</td>
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<td>2013</td>
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<td>$0</td>
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</table>
While federal ESG (homeless services) funding has not been restored, the City and State (THDA) have stepped in to help bridge the gap since 2014.

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

- $2 M in 2017-2018 and
- $2.5M in 2018-2019 (current year).

The City has provided funding for commercial façade improvements to blighted buildings in redevelopment areas (about $500,000 per year since 2015) <not shown in graph>
City of Knoxville Resources

- **General Operating Funds**
  - Affordable Rental Development Fund (ARDF)
  - Affordable Housing Trust Fund (ETF)
  - Homeless Agency Grants
  - Office on Homelessness
  - Office of Neighborhoods
  - Disability Services Office
  - Great Schools Partnership
  - ET Quality Growth
  - Historic Preservation Grants

- **Capital Fund Projects**
  - Commercial Façade Improvement Program
  - KCDC Five Points Redevelopment
  - Blighted Property Acquisition
  - Chronic Problem Properties
  - ADA Facility Improvements
The Annual Action Plan

- Updates the Five-Year Plan and is due by May 15*
- Allows for consideration of changes in
  - Community Needs
  - Opportunities and Challenges
  - Funding Sources and Amounts
- Citizen Participation and Consultation with community partners
- Annual report of accomplishments – the Consolidated Annual Performance and Evaluation Report (CAPER), due by September 30
- Program Year (PY) 2019-2020 is Year Five
- July 1, 2019 through June 30, 2020
Citizen Participation Timeline

Public Meeting (tonight) | January 31, 2019
Staff Prepare Draft Annual Action Plan | February – May*
Draft Available for Review | April 5
30-day Public Comment Period | April 5 - May 6
Public Meeting | April 29
Presentation to City Council | May 7*
City Council Review/Vote | May 7*
Consolidated Plan and Year One Action Plan due to HUD | May 15, 2019*

(or 60 days after notice of funding, or before August 16, 2019, whichever comes first)

* Tentative Dates
On-Going Consultation Activities

- **Community and Economic Development**
  - City’s Office of Neighborhood’s Neighborhood Advisory Council
  - City’s Neighborhood Working Group on Blighted, Abandoned, and Vacant Buildings Committee
  - Mayor’s Council on Disability Issues
  - Metropolitan Planning Commission (MPC)
  - Knoxville Leadership Foundation
  - Knox County Health Department
  - Great Schools Partnership
  - East Tennessee Quality Growth
  - East Tennessee Community Design Center
  - Knoxville Area Employment Consortium

- **Homelessness and Affordable Housing**
  - KCDC – Public Housing Authority for Knoxville and Knox County
  - CAC – Community Services Provider
  - Community Housing Development Organizations (CHDOs)
  - Office on Homelessness’ Affordable Housing Committee
  - Knoxville Homeless Coalition
  - Homeless Youth Council
  - Mayor’s Roundtable on Homelessness
Annual Action Plan Process

- Citizen/Public Input
- Consultation with Community Partners
- Research – local data, HUD data

PY2016-2017

- Increase in requests for rental assistance, housing, shelter
- CAC
- KCDC

Research shows several causal factors:

1. Market Rate Rents are rising and wages are not keeping pace.
2. There’s been a loss in subsidized units that make rent affordable to LMI households.
3. Barriers to developing new Affordable Rental Housing are increasing.
# New Affordable Rental Housing

<table>
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<tr>
<th>Category</th>
<th>Goals</th>
<th>Completed</th>
<th>In Pipeline for PY2018-2019</th>
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<td>Energy Efficiency &amp; Accessibility</td>
<td>145</td>
<td>105 (72%)</td>
<td>46</td>
</tr>
<tr>
<td>Rental Rehabilitation</td>
<td>95</td>
<td>37 (39%)</td>
<td>65</td>
</tr>
<tr>
<td>Rental Development</td>
<td>215</td>
<td>39 (18%)</td>
<td>563</td>
</tr>
</tbody>
</table>

- Energy Efficiency & Accessibility: Complete 105 units, 72% progress, 46 units remaining.
- Rental Rehabilitation: Complete 37 units, 39% progress, 65 units remaining.
- Rental Development: Complete 39 units, 18% progress, 563 units remaining.

**Projects:***
- 40 Premier Prop.
- 25 LHP
- 172 Southside
- 30 Holston Court
- 156 Pond Gap
- 102 Young High
- 53 KCDC
- 50 HRMC
Continue to Partner to Maximize Resources

Non-Profit Organizations
- East Tennessee Community Design Center
- Social Service Agencies

Non-Profit Housing Assistance Organizations
- Knoxville-Knox County CAC
- Neighborhood Housing Inc. (NHI)

Non-Profit Developers
- KCDC
- CHDOs
- Other non profit organizations

East Tennessee Foundation

State of Tennessee

For-Profit Developers
- Elmington Capital Group
- LHP
Emergency Home Repairs/Weatherization

- CAC’s Emergency and Minor Home Repair program provides:
  - home improvements (roofs, HVAC, plumbing, electrical, windows, accessibility modifications, and energy efficiency improvements) critical to the health and safety of low income homeowners in the City of Knoxville.

- CAC’s Weatherization Health & Safety program provides:
  - weatherization related repairs to owner occupied homes within the City of Knoxville.
  - Partnering with KEEM and KUB’s Round it Up programs
Minor Home Repairs

• “Operation Backyard” provides critical external repairs such as roof repair, accessibility modifications, window repair, and energy efficiency improvements to elderly, disabled, and low income homeowners and renters within the City of Knoxville.

• Work is performed mostly by volunteers, although the agency does utilize licensed contractors for plumbing and other work as necessary.
Rental Housing Rehabilitation and Weatherization

- Provides landlords with a forgivable loan of up to $20,000 per unit to bring rental units up to code.
- Amount is based on the rehab cost and the cash flow of the property.
- Landlords agree to certain rent and occupancy restrictions for 5–10 years.
- Weatherization on rental units

Normandy Chateau, Jenkins Rd.
- Weatherization on 24 total units

Benson Brackins, Pocahontas Dr.
- 21 total units

Premier Properties, Valley View
- 40 total units
Developing New Affordable Rental Housing

Village at Holston Court, Holston Dr.
- 24 total units in Phase II

Southside Flats, E. Martin Mill Pk.
- 172 total units
Developing Permanent Supportive Housing for the Chronically Homeless

Flenniken Landing, Flenniken Ave. - 48 total units

Minvilla Manor, E. Fifth Ave. – 57 total units
Housing for Special Needs or other Targeted-Populations

Single-mother households - Robinson Rd. – 24 total units

Seniors – Clifton Rd. - 53 total units

Veterans - Middlebrook Pk. - 10 total units

Veterans - Washington Pk. - 15 total units
Owner-occupied Housing Rehabilitation

Before

After

- Provides financing and technical assistance to bring the property up to code.
- Financing includes below market rate loans (either 1% or 3% depending on income) and, if necessary, forgivable loans and/or lead based paint remediation grants.

Temporary relocation is almost always required and the City provides grant funds to cover out of pocket relocation and rent expenses.
Developing New Affordable Owner-occupied Housing

• CHDOs are Community Housing Development Organizations

• A minimum of 15% of HOME funds are ‘set-aside’ for CHDOs

• CHDO partners:
  • HomeSource East Tennessee
  • Neighborhood Housing, Inc.
  • East Tennessee Housing Development Corporation

• EnergyStar* and Visitable

• Down Payment Assistance may be provided to buyers of homes that have been developed by a CHDO partner.
Public Services

Up to 15% of CDBG Funds for High Priority Activities

- Workforce Development in Certain LMA Census Tracts
- Design and Technical Assistance in Redevelopment Areas

Burlington Community
PY2019-2020
Proposed High Priority Activities

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

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

- Public Services - CDBG
FY2019 Allocation Amounts

- Congress Must Pass a Budget
- Appropriations Process
- HUD Revised Procedures for Submission of Action Plans
  - Final Plan must include *actual* amounts
  - “Contingency Provision”

- What We Hope For
  (level funding from current year)

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Homeless Services Grants

- City Operating Funds for Homeless Agencies
  - Activities include:
    - Homelessness Prevention
    - Street Outreach
    - Emergency Shelter and Services
    - Transitional Housing and Services
    - HMIS
    - Rapid Re-housing
  - $201,000 in PY2018

- THDA/State ESG
  - Homelessness Prevention
  - Rapid Re-housing (inc. Youth Homelessness)
  - Dental Services
  - Youth Homeless Case Management
  - $161,250 in PY2018
PY2019-2020
Homeless Grants Program NOFA

Important Dates

2/1  Application Available

See www.knoxvilletn.gov to download the application, instructions and Exhibit 1 (Budget)

No Mandatory TA Workshop This Year

2/22  Applications Due
(must be received by 12:00 Noon)
III. Public Comments on the Annual Action Plan – Breakout Groups

Comments may also be shared via
index cards and/or with
Linda Rust, CD Administrator

lrust@knoxvilletn.gov
P.O. Box 1631
Knoxville, TN 37901
865-215-2962 fax

www.knoxvilletn.gov/development