



CITY OF KNOXVILLE
BILL HASLAM, MAYOR

City of Knoxville
Community Development Department
400 Main Street, Room 520
Knoxville, Tennessee 37902
(865) 215-2120

Mailing Address:
P.O. Box 1631
Knoxville, TN 37901

APPLICATION INSTRUCTIONS
2009-2010 Funding
Community Development Block Grant (CDBG)

Application forms are available at the City of Knoxville's Community Development Department located on the 5th floor of the City-County Building or at www.cityofknoxville.org/development.

Application Deadline: 12:00 p.m. (noon) on Tuesday, February 17, 2009.

No matter which method of delivery an agency chooses (U.S. mail, courier, hand delivery, or other), it is the agency's responsibility to ensure that the application is actually received in the Community Development office by the deadline.

A mandatory technical assistance workshop for all CDBG applicants will be held:

Friday, January 23, 2009
10:00 a.m.
Charles W. Cansler YMCA
616 Jessamine Street
Knoxville, TN 37917

Applications from agencies not attending this workshop will not be considered for funding.



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Section 1: General Information

The Basics of the CDBG Program and Application Process

The City of Knoxville is seeking non-profit and public agencies to carry out activities that meet the needs of low and moderate-income neighborhoods and residents according to the priorities established in the City's Five Year Consolidated Plan.

The City of Knoxville will fund subrecipient projects in 2009-10 that provide specific "essential services" to the community on behalf of the Community Development Department. CDBG funds will be available to non-profit and public agencies for the following activities:

- **housing improvement projects, including emergency home repair and minor home repair**
- **planning and design technical assistance to non-profit and community organizations**
- **management of the homeless information and tracking system.**

Past grant awards have typically ranged from \$10,000 to \$250,000 depending on the type of project and available funding. Notice of Award is expected in early June following City Council approval of the annual budget.

There is no limit to the number of applications an agency may submit, but each project should be submitted as its own application. No matching funds are required to receive CDBG funds, but projects are very strongly encouraged to have other sources of additional funding. Applications selected for funding may receive less than the requested amount depending on the number of applications received and available funds. Funding is not guaranteed to any agency or project.

Eligible Applicants

Non-profit and public agencies are eligible to apply for CDBG funds, and each applicant must have the authority to submit the application and to carry out the proposed project/activity pursuant to its charter and by-laws.

Mandatory Technical Assistance Workshop

Prior to submitting an application, all agencies are required to attend a technical assistance workshop conducted by City staff. The workshop is scheduled for 10:00 AM on Friday, January 23, 2009 at the Charles W. Cansler YMCA located at 616 Jessamine Street, Knoxville, TN 37917. Registration for the workshop is not necessary.

Incomplete Applications

Once received, all grant applications will be screened for eligibility and completeness. Incomplete or ineligible applications will not be considered for funding.

Application Review and Selection

Completed applications for eligible projects will be rated in a process that considers the following factors: applicant capacity, project quality, need for the project and operational feasibility. The ratings will be used as a guideline for project selection.

Reserve Projects

Depending on the number and nature of applications received, the City may hold one or more unfunded project applications in reserve. If funds become available during the grant year (through cancelled projects or funds returned to the City), the applicant agency may be contacted and offered funding for its reserve project. As this category of funding is contingent upon a variety of factors, the City does not guarantee funding to any reserve project.

Funding Duration, Reporting Requirements and General Regulatory Compliance

All projects should be designed to begin on or soon after July 1, 2009 and conclude by June 30, 2010, as the City does not intend to grant extensions.

The Community Development Block Grant (CDBG) program is operated on a reimbursement basis. Projects do not receive advance funds, and agencies committing or expending funds prior to July 1, 2009 will not be reimbursed.

Quarterly reports are required for all projects, as are completion reports. Additional reporting and/or information may be required depending on the scope of the project.

All projects must comply with the federal regulations applicable to individual project activities. These regulations may include (but are not limited to): Davis-Bacon labor standards, Uniform Relocation Act, federal procurement standards, Fair Housing and Equal Opportunity regulations, lead based paint regulations, and federal fiscal/audit standards. Projects are monitored through technical assistance, site visits, and formal file reviews. Long term monitoring may also occur in order to ensure facility usage (acquisition and renovation projects) and/or a project's community impact.

Regulations specifically related to the CDBG program can be found at: www.gpoaccess.gov/cfr under 24 CFR Part 570.

Specific Regulatory Requirements: Environmental Review and Lead Based Paint

All projects (regardless of scope) require an environmental review performed by the City or other agency identified by the City. For the most part, the reviews will be completed by the July 1 notice to proceed date and will require no action on your part.

Federal lead based paint regulations will apply to all housing related projects. At a minimum, these requirements will impact housing acquisition, renovation, and residential counseling projects occurring in rental and owner-occupied housing, single and multi-family homes, and group homes.

Funding Timeline

Monday, January 12, 2009

Application packages available

Friday, January 23, 2009

Mandatory technical assistance workshop at Charles W.

10:00 a.m.	Cansler YMCA located at 616 Jessamine St. <i>Attendance is required at the workshop to submit a CDBG application.</i>
Tuesday, February 17, 2009 12:00 Noon.	Applications due in Community Development office
May/June 2009	Funding recommendations approved by City Council. HUD approval of funding recommendations. Applicants notified of funding awards.
July 1, 2009	Begin issuing contracts for approved projects

Frequently Asked Questions

1. *My agency has never used federal money and the regulations sound intimidating. Are we going to survive this?*
City staff will work with you to help you complete your project in compliance with the regulations. Our goal is to make compliance as easy as possible while still meeting the rules and keeping the focus on why the project is being performed in the first place. If you are new to federal funding, it is very important to ask questions and let the City know what is happening so we can assist you and head off any problems before they get out of control.
2. *Will we be held to the budget, timeline, and goals in the application?*
You will be held to the budget, timeline, and goals established in the award agreement. This may be different from your application if your project is not fully funded.
3. *What if something happens and we need to change our budget, timeline, or goals?*
An amendment to the project contract may be executed if there are legitimate reasons for doing so. However, you should not count on this, particularly if your agency wants an amendment because it did not begin the project on time or has changed its mind about the project scope or budget.
4. *Will we get the full amount of funding requested?*
Projects may receive full or partial funding depending on the nature of the project, amount requested, and funds available. If your project is not viable without full funding, make sure to indicate this fact in your application.
5. *If we don't get funding this year, can we reapply next year?*
Yes. You can reapply for the same project and/or other projects.
6. *Are matching funds required?*
No, but it is a very good idea to bring other monies to the project.
7. *When will we know whether we will be funded? When can we spend money?*
The Community Development Department makes recommendations to City Council. The U. S Department of Housing and Urban Development also has to approve the annual plan.

The City anticipates making award notification in early June 2009, with funds available for commitment and expenditure on or about July 1, 2009

8. *Can we spend our money now and be reimbursed by CDBG later?*
No. If you commit or expend funding before receiving a notice to proceed, you will not be eligible for reimbursement at any time.
9. *Will we hear from you even if our application does not receive funding?*
Yes. All agencies will be notified in writing whether their applications will be fully or partially funded, not funded at all, or held as a reserve project.
10. *Is it okay if my original application is late as long as it is faxed or postmarked by the submission deadline?*
No. The original signed application and 3 copies must be received by the Community Development Department by the submission deadline. We will not accept nor consider for funding any applications that are faxed, emailed, or received after the deadline regardless of the postmark. Please plan ahead, especially if you intend to hand deliver your application. **The City-County building does not have on-site public parking, and you will be required to pass through security (including a metal detector) at the front door.**
11. *Can I drop off my application with someone else I know who works for the City?*
The Community Development Department is the only office for submitting CDBG applications. If you give your application to another City employee, division, or department, you run the risk of the application not being submitted on time.

Section 2: Project Eligibility Requirements

To receive CDBG funding from the City of Knoxville, projects must assist City residents and meet three requirements: Priority need, activity eligibility and national objective.

Priority Needs

All applications must meet one or more of the priority need categories established within the City's Five Year Consolidated Plan:

1. Neighborhood Stabilization
2. Housing Rehabilitation
3. Homeownership Opportunities
4. Assistance to Homeless
5. Job Creation and Training
6. Crime Prevention and Safety

Eligible Activities

Due to an anticipated decrease in CDBG funding for fiscal year 2009-10, and no carry-over funds from previous years, the City of Knoxville will limit subrecipient awards to only those CDBG eligible activities that provide the following specific "essential services" to the community on behalf of the Community Development Division.

- housing improvement projects, including emergency home repair and minor home repair

- planning and design technical assistance to non-profit and community organizations
- management of the homeless information and tracking system.

Ineligible Activities

The following activities are not eligible for CDBG funding:

1. Direct financing of new housing construction (except by qualified CBDO)
2. Income and rent supplement payments (including stipends)
3. Furnishings and personal property
4. Agency operating and maintenance expenses
5. Buildings used for the general conduct of government
6. Expenses required to carry out the regular responsibilities of local government
7. Political activities

National Objective

All projects must meet one of the following national objectives: Benefits to low and moderate income persons OR Prevention or elimination of slums or blight.

1. Benefits to low and moderate income persons

For the 2009 application cycle, the following gross income limits will be used to determine income eligibility:

Family size	Extremely low income (<30% MFI*)	Low income (30-50% MFI*)	Moderate income (51-80% MFI*)
1	\$ 12,300	20,500	32,750
2	\$ 14,050	23,400	37,450
3	\$ 15,800	26,350	42,100
4	\$ 17,550	29,250	46,800
5	\$ 18,950	31,600	50,550
6	\$ 20,350	33,950	54,300
7	\$ 21,750	36,250	58,050
8	\$ 23,150	38,600	61,800

* MFI = Median Family Income

In addition to meeting the income criteria above, a project benefiting low and moderate income people must also fall into one of the four categories outlined below: area benefit, limited clientele, housing, or job creation/retention activities.

Area benefit activities

In order to qualify as an area benefit, a project must meet *each* of the following three criteria:

- a. Be available to all residents of a particular area with delineated service boundaries.
- b. At least 51% of the residents of the area are income eligible.
- c. The benefit area is primarily residential.

Limited clientele activities

These projects benefit a limited group of people, at least 51% of whom are income eligible. To qualify under this category, the project must meet *at least one* of the following four criteria:

- a. Serve one of the following special needs populations: abused children, battered spouses, elderly persons, severely disabled adults, illiterate adults, persons living with AIDS, homeless persons, or migrant farm workers. Activities in this category are considered “presumed benefit” projects.
- b. Require information on family size and information, documenting that at least 51% of clients are income eligible.
- c. Maintain eligibility requirements that limit the activity exclusively to income eligible persons.
- d. Be of a nature and in a location that it may be concluded that the activity’s clientele will primarily be income eligible persons.

Housing activities (acquisition, rehabilitation, construction or conversion)

Housing activities require occupancy by income eligible households. In the case of multi-family housing, at least 51% of the units must be occupied by income eligible households. See CDBG regulations for further information and documentation requirements.

Job creation or retention (economic development projects)

Job creation or retention activities must meet the following criteria (see CDBG regulations for further information and documentation requirements):

- a. For job creation, at least 51% of full time equivalent jobs created will be held by income eligible persons.
- b. For job retention, documentation that the jobs would actually be lost without CDBG assistance and either the job is known to be held by an income eligible person, or the job can reasonably be expected to turn over within the following two years and be filled by an income eligible person.

Please note: Job creation and retention does not include the staff working for your agency to operate a CDBG project.

2. Prevention or elimination of slums or blight

Projects meeting this eligibility requirement will address slums or blight on either an area or spot basis. Acquisition, clearance and renovation projects may qualify under this criteria if undertaken within the Empowerment Zone. Please speak with City staff if you believe your project may qualify under this criteria.

Section 3: Submission Requirements

Submission Deadline

Original applications must be received by the Community Development Department no later than 12:00 p.m. (noon) on Tuesday, February 17, 2009. Applications received after that deadline will not be accepted or considered. **We will not accept applications submitted via facsimile or electronic mail.**

Submission Instructions

1. Submit one original signed application and three (3) photocopies for each project. Photocopies are to be clearly marked “copy” on the first page, and should include all supporting documentation.
2. Applications may be photocopied after submission. To facilitate copying, please hold each application together with a single staple, paper clip, or binder clip. Please do not heat or spiral bind your application, enclose it in a two or three hole punched binder or folder, utilize index dividers or cardboard tabs, or staple together individual sections of the application.
3. The application must be typed or computer generated. Hand written applications will not be accepted. Use only 11 point or larger font with black ink.
4. Only white 8 ½ x 11” paper is to be used for applications. Brochures and other attachments may be submitted on colored paper, cardstock, or whatever other format they are normally printed in.
5. Applications should respond to all questions and include all information requested. Maps, supporting data, and other pertinent documentation should be included when relevant.

For hand delivery, courier, or Federal Express submission:

Submit application and three (3) photocopies in a sealed envelope addressed to:

Becky Wade
Community Development Administrator
City of Knoxville - Community Development Department
City County Building, Room 520
400 Main Street
Knoxville, TN 37902

For submission via U.S. mail, address to:

Becky Wade
Community Development Administrator
City of Knoxville - Community Development Department
PO Box 1631
Knoxville, TN 37901

The City of Knoxville may require additional information for the determination of the applicant’s qualifications to perform the proposed project. The City will not reimburse any cost for preparing this application.

For more information about this application and funding process, please call Becky Wade at 865-215-3900.

Knoxville Empowerment Zone

