

In compliance with commitments made during the EZ designation process and the neighborhood revitalization area strategy identified in the *2005-2010 Consolidated Plan*, the highest priority for use of CDBG and HOME funds in 2007 will be for redevelopment areas or other areas in need of comprehensive revitalization in the EZ. Other areas within the EZ will receive the next level of priority, with activities outside the EZ receiving lower priority. This does not mean that use of CDBG and/or HOME funding will be restricted to redevelopment areas or the Empowerment Zone. Housing and service programs are available on a citywide basis, although preference may be given to EZ residents. Improved infrastructure and facilities that are physically located within the EZ will also be available for use by the City's general population.

ESG funding will not be targeted for the redevelopment areas. However, as many of the agencies providing services to homeless individuals or families operate in central Empowerment Zone locations, it is anticipated that most of this year's ESG funding will be used within the EZ.

Maps showing the Empowerment Zone and redevelopment areas are located in Appendix C.

Addressing Obstacles to Meeting Under-Served Needs

The City of Knoxville will continue to support non-profit agencies, the local housing authority, homeless providers, and special needs groups in their goal to meet the underserved persons of the community.

Federal, State and Local Resources

HUD Funding to the City of Knoxville

The City receives several types of funding from the U.S. Department of Housing and Urban Development. Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) program funds are all received on an entitlement basis. These are the three primary sources of funds the City will use to carry out the activities covered by the Consolidated Annual Action Plan, which is the official application document for these programs. The City also receives Fair Housing Assistance Program funds (FHAP) from HUD on an annual basis.

- **CDBG** - The primary goal of the Community Development Block Grant program is to provide decent housing, a suitable living environment, and expanded economic opportunities for low and moderate-income persons or neighborhoods. Effective March 2007, a four-person household earning up to \$43,850 per year could qualify for programs funded with CDBG monies. CDBG can be used for a variety of activities, including housing improvement programs, sidewalks and parks, services (such as literacy or health care), economic development activities, and historic preservation. The City expects to receive a 2007 CDBG allocation of \$1,926,071.
- **ESG** - Emergency Shelter Grant funding may only be used to assist persons who are homeless. It is typically used to operate and improve emergency shelters, provide essential services, and conduct activities that will help prevent future homelessness. Activities in this funding source are strongly tied to the *Knoxville-Knox County Ten Year Plan to End Chronic Homelessness*. The City awards ESG funds to subgrantees through a request for proposal process. Agencies using ESG funds through the City are required to provide a 1:1 match in the form of cash or in-kind donations. The City expects to receive a 2007 ESG allocation of \$83,225.