

jobs, services and revitalization in distressed areas, in much the same way that LIHTC's did for affordable housing.

### Leveraged/Private Funds

Several programs operated by the City encourage or require leveraging of private resources.

- The Owner Occupied Housing Rehabilitation program may combine CDBG or HOME funds with private lender funds to complete rehabilitation work.
- The Rental Rehabilitation program provides gap financing, with property owners borrowing an amount that is financially feasible from a private lender.
- The American Dream Downpayment Initiative program provides downpayment assistance. The primary mortgage is secured by the homebuyer from a private lender.
- The City's Façade Improvement program requires that participants provide 20% matching funds to expenses paid by the City.
- The Homemakers program leverages the cost of development. The City acquires the property, which may be sold at a discount. In most cases, the total development cost comes from private sources.
- Empowerment Zone and other large improvement projects frequently require a variety of resources, including City general funds, County funds, private funding, and in-kind donations.
- ESG funds require subgrantees to provide a 1:1 match in the form of cash or in-kind donations.

### **Managing the Process**

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 3 Action Plan Managing the Process response:

### **Lead Agency and Purpose**

The lead agency responsible for the development of the City's Consolidated Plan for Housing and Community Development is the City of Knoxville Community Development Division. The jurisdiction of the Consolidated Plan is the City limits of Knoxville. The Consolidated Plan is a 5-year plan to address the needs of lower income neighborhoods and lower income residents of Knoxville. An element of the Consolidated Plan is its emphasis on citizen participation and the collaborative nature of the process. The City of Knoxville uses the input from its citizens and its community development partners to identify needs, develop strategies for addressing the needs, and undertake specific actions consistent with those strategies.

The U.S. Department of Housing and Urban Development requires that cities complete a Consolidated Plan in order to receive CDBG, HOME, and ESG funding. The Consolidated Plan has a number of key components:

- Analysis of the current housing market.
- Assessment of local housing needs, including housing for the homeless, people with special needs, and affordable housing.
- Assessment of general community development needs, including services, infrastructure, and historic preservation.
- Input and participation from local citizens and agencies.
- Prioritized list of needs based on the assessments, housing market analysis, and community input.
- Strategy for selecting projects and addressing priority needs during five year period.

The current *Consolidated Plan* covers the period from July 2005 through June 2010. It is updated on an annual basis with a specific description of how the City will use its strategies to address community needs. The *2007 Action Plan* is the third annual update. The entire 2005-2010 Consolidated Plan can be viewed at:

<http://www.cityofknoxville.org/development/consolidated.asp>.

The *2007 Action Plan* describes how the City of Knoxville intends to use the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Shelter Grant (ESG) funding that will be provided by the U.S. Department of Housing and Urban Development for the year beginning July 1, 2007.

The projects outlined in this document are intended to enhance the quality of life in Knoxville by improving housing, services, and economic opportunities for local residents. These projects will be carried out to meet the City of Knoxville and Community Development Division's goals as well as the City's strategy to address the community development needs identified in its *2005-2010 Consolidated Plan*.

## **City of Knoxville Goals**

### Mayor's Vision and Goals

It is Mayor Haslam's vision that the City of Knoxville will be America's premier city in which to live, work and raise a family. In support of this vision, the Administration has four primary goals:

1. Stronger and safer neighborhoods.
2. City services you can count on at a competitive price.
3. An energized downtown; everybody's neighborhood.
4. More and better jobs.

### Community Development Division Goals

To meet the Mayor's goals and vision, the Community Development Division has established the following five goals. Each goal has specific measurable objectives described in the Strategic Plan section of the Consolidated Plan.

1. Promote residential and commercial growth in order to create vitality and new investment in Heart of Knoxville neighborhoods, Brownfields, and redevelopment areas.
2. Promote fairness, accessibility and inclusion through partnerships in order to achieve equal housing opportunities and equal access to community facilities.
3. Create a desirable living environment and stimulate neighborhood revitalization by providing opportunities for safe, decent, affordable housing to low and moderate-income people.
4. Encourage business development, housing growth, job training, and community pride through responsible administration of Empowerment Zone funding.
5. Ensure effective and efficient delivery of community development services by conducting proactive fiscal administration that is accountable to regulatory agencies and community partners.

### **Consolidated Plan Needs and Strategies**

#### Priority Needs

The City undertook its Consolidated Plan process in late 2004 and early 2005. After performing the housing analysis, conducting assessments, and gathering input from local residents and agencies, priorities were set for Knoxville's housing, infrastructure, services, and other needs. These were then grouped into six categories. *(Priorities are not listed in any specific order.)*

1. Neighborhood stabilization – Eliminating blight in neighborhoods, improving sidewalks, addressing problem properties, increasing physical accessibility, improving the visual appeal of neighborhoods in the Heart of Knoxville, and improving local parks, green spaces and community centers.
2. Crime prevention and safety – Reducing crime and the perception of crime in Heart of Knoxville neighborhoods.
3. Housing rehabilitation – Renovating deteriorated housing, improving physical accessibility and energy efficiency.
4. Homeownership – Creating opportunities for homeownership, especially in Heart of Knoxville neighborhoods.
5. Job creation – Increasing the number of jobs and providing job training or job placement services.
6. Providing assistance to homeless or chronically homeless individuals and families.

## Strategies

To address these needs, seven program areas or strategies were established. (*Strategies are not listed in any specific order.*)

1. Housing programs – Homebuyer education and financing, funds and technical assistance for housing rehabilitation.
2. Fair housing – Investigating housing discrimination complaints and promoting housing opportunity and equality through outreach and education.
3. Blighted property redevelopment – Purchase of blighted houses, commercial structures, or vacant lots, followed by sale for renovation or new construction.
4. Façade improvements – Financing to renovate street-facing exteriors of local businesses.
5. Public improvements – Renovation or new construction of infrastructure and public facilities, physical accessibility improvements.
6. Subrecipient programs – Funding and technical assistance to non-profit and other agencies who provide services that address high priority needs.
7. Neighborhood revitalization strategy area – Activities supporting economic and physical revitalization within the Knoxville Empowerment Zone.

## **Development of Action Plan**

The 2007 Action Plan was developed by the City of Knoxville's Community Development Division; which is the lead entity responsible for oversight and management of the CDBG, HOME, and ESG programs; after receiving public input and proposals from potential subrecipients as described below.

## Public Input

A public meeting was held on January 18, 2007 in the Knoxville-Knox County Community Action Committee's community room, located at 2247 Western Avenue. This is a centrally located facility that is accessible to persons with disabilities. Publicity for the meeting included issuance of a news release, publication in the *Knoxville News Sentinel*, information on the City website, and mailing announcements to approximately 700 persons or agencies two weeks prior to the meeting.

At the meeting, City staff presented information about the Community Development Division, the annual plan and application process, upcoming mandatory technical assistance workshops, and Consolidated Plan priorities. Participants were asked to comment about perceived community development needs. A list of persons, including agency representation, attending the meeting and comments received are included in Appendix B.

## Subrecipient Proposal Process

Applications for CDBG, HOME, and ESG funding were available beginning January 8, 2007 with a submission deadline of 12 noon on February 16, 2007. Notice of funding availability was mailed to approximately 750 persons or agencies and was published in the *Knoxville News Sentinel*, the City of Knoxville website, and the listserv of the East Tennessee Coalition for the Homeless. Mandatory technical assistance workshops were held on January 24 and 25. Additional technical assistance was provided through meetings, phone calls, and

electronic mail. Eighty-three (83) applications were received, requesting a total of \$6.5 million. Applications were reviewed by Community Development staff and rated through a process that accounted for *Consolidated Plan* priorities, leveraged funds, community need, and other factors. ESG applications were also evaluated based on objectives established in the *Knoxville-Knox County Ten Year Plan to End Chronic Homelessness*. The Community Development Division Director presented staff recommendations to the City Senior Directors and the Mayor. The recommendations were accepted, pending approval of the Plan by City Council.

### **Enhance Agency Coordination**

In order to improve institutional structure and enhance inter-agency coordination, representatives from the City's Community Development Division participate in many of the coordinating bodies described in the institutional structure section of the *Consolidated Plan*. These include: Partnership for Neighborhood Improvement, East Tennessee Coalition for the Homeless, Affordable Housing Trust Fund Board, Equality Coalition for Housing Opportunity, and East Tennessee Community Design Center. The City is the grantee and fiscal agent for the Empowerment Zone, and staff participates in task forces or committees as necessary to improve services and quality of life within the community.

### **Citizen Participation**

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 3 Action Plan Citizen Participation response:

### **Citizen Participation Process**

As stated under the previous question, public meeting was held on January 18, 2007 in the Knoxville-Knox County Community Action Committee's community room, located at 2247 Western Avenue. This is a centrally located facility that is accessible to persons with disabilities. Publicity for the meeting included issuance of a news release, publication in the *Knoxville News Sentinel*, information on the City website, and mailing announcements to approximately 700 persons or agencies two weeks prior to the meeting.

At the meeting, City staff presented information about the Community Development Division, the annual plan and application process, upcoming mandatory technical assistance workshops, and Consolidated Plan priorities. Participants were asked to comment about perceived community development needs. A list of persons attending the meeting and comments received are included in Appendix B.