

## General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 3 Action Plan General Questions response:

### Geographic Distribution of Funding

In December 1998, a portion of the City received a ten-year federal designation as a Round II Empowerment Zone (EZ). The EZ consists of a 16 square mile area plus three developable sites adjacent to the Zone.

Per 2000 Census data, the Empowerment Zone contains approximately 44,237 residents and 23,487 housing units. The population of the Empowerment Zone is 42% minority, compared to a 20% minority population in the City as a whole. Median household income in the Zone is approximately 42% less than the citywide average (\$15,939 compared to \$27,492).

As part of its leverage commitment to the U.S. Department of Housing and Urban Development, the City of Knoxville pledged 90% of its CDBG and HOME funding during the EZ designation to affordable housing, neighborhood improvements, and economic development initiatives within the Zone.

During the first years of the Empowerment Zone designation, comprehensive revitalization efforts were undertaken in Mechanicsville and the Vestal Bicentennial Neighborhood. Work under the Five Points redevelopment plan has been underway for the past few years, with commercial development and infill housing still in progress.

A redevelopment plan was initiated for Lonsdale in Spring 2005, with City Council approval in November 2005. This is a focus area for commercial development, housing improvements, and other revitalization activities in 2007 and future years.

A redevelopment plan was approved for the Vestal Business District on January 16, 2007. This area will be the focus of commercial development and other improvements in 2007 and future years.

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.