

Grantee: Knoxville, TN

Grant: B-08-MN-47-0002

April 1, 2011 thru June 30, 2011 Performance Report

Grant Number:

B-08-MN-47-0002

Obligation Date:

03/25/2009

Grantee Name:

Knoxville, TN

Award Date:

03/19/2009

Grant Amount:

\$2,735,980.00

Contract End Date:

03/18/2013

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

No QPR Contact Found

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

A. AREAS OF GREATEST NEED The latest data supplied by HUD regarding household income indicates that over 50% of almost the entire city of Knoxville and much of the surrounding County have incomes at or below 120% of the area median income (AMI). The current AMI for the Knoxville/ Knox County metropolitan statistical area is \$58,500 for a family of four. The data shows that more than half of the households in most of the Knoxville area earn less than \$70,200 (for a family of four), defined as low, moderate/middle income (LMMI). Additionally, within a large portion of the City of Knoxville over half of the households have incomes at or below 50% of the AMI, (\$29,500 for a family of four), defined as very-low income. Most of the very-low income census tracts are located within Knoxville's Empowerment Zone, a sixteen square mile area within the heart of Knoxville. Federal entitlement funding received by the City (EZ,CDBG, HOME, ESG) is focused on the EZ to give priority to the area of greatest need. NSP funds will enhance existing efforts in neighborhood stabilization. HUD data also indicates a foreclosure risk score for each block group within the census tracts based on the percentage of foreclosures, percentage of homes financed with sub-prime mortgage loans and identified as likely to face a rise in the rate of home foreclosures. The scores range from 1 to 10 with 10 being the highest risk. All of the very low-income census tracts and many of the LMMI tracts show foreclosure risk scores of 7 to 10. B. DISTRIBUTION AND USES OF FUNDS The City of Knoxville will use its NSP funds to meet the requirements of Section 2301 (c) (2) of HERA through activities located in the areas of greatest need. The activities proposed in this NSP plan will serve to strengthen and enhance current programs. The City is proposing to use its NSP funds for the eligible uses listed in Section 2301 (c) (3) (B), (D) and (E) of HERA. Those uses include: (B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties; (D) demolish blighted structures; and (E) redevelop demolished or vacant properties. In this plan, the City is proposing to allocate our direct HUD NSP funding of \$2,735,980 to the eligible activities listed below. If additional NSP dollars are received from the State of Tennessee, funding allocations will be made to the activities listed below. 1. NSP funds in the amount of \$934,000 will be provided to three subrecipients, Habitat for Humanity, Knox Housing Partnership, and Knoxville's Community Development Corporation, to purchase and rehabilitate homes and residential properties that have been foreclosed upon or abandoned in order to sell, rent or redevelop; and/or redevelop demolished or vacant properties. 2. NSP funds in the amount of \$180,000 will be used to demolish blighted structures in neighborhoods of greatest need. The City will strategically focus demolition of blighted structures on neighborhoods where other neighborhood stabilization activities are taking place. The structures to be demolished will be vacant, will meet the City's legal definition of blighted, and have a demolition order from the Better Building Board. 3. NSP funds in the amount of \$1,386,400 will be used to redevelop vacant properties, buildings and/or land, for rental housing for very-low income households. Administrative costs of the NSP program over four years are estimated at \$235,580, which is 8.6% of the funding allocation.

Distribution and and Uses of Funds:

C. DEFINITIONS AND DESCRIPTIONS (1) Blighted Structure The definition of "Blighted Property" is contained in the City of Knoxville, Code of Ordinances, Chapter 6, Article VI, Sec. 6-150. For the purposes of this application for NSP funds, the City will only demolish blighted structures that are vacant, have been posted "unfit for human habitation", and on which a complaint has been filed and presented to the Better Building Board and the Board has recorded a demolition order on the property. (2) Affordable Rents The City of Knoxville will apply the affordable rent standards used in its HOME program to the NSP funded activities. Every NSP assisted unit is subject to rent controls designed to ensure rents remain affordable to lower-income families over time. There are two NSP rents established for projects: 1. Low NSP Rents: For projects containing five or more assisted rental units, or in the case of an owner who has multiple projects which together contain a total of five or more assisted rental units, a minimum of 20% of all the NSP assisted units must have rents, adjusted for utilities, that do not exceed 30% of the gross income for a household earning 50% of the AMI, and 2. High NSP Rents: All other NSP assisted units in each project must have rents, adjusted for utilities, that do not exceed the lesser of the Section 8 Fair Market Rents or 30% of the adjusted income for a household earning 65% of the AMI. (3) Continued affordability Housing constructed or rehabilitated with the assistance of NSP funds will be required to maintain affordability. Affordable rent standards, as described in C (2) of this plan, are required for a period of not less than 15 years. For sale housing units will be required to be sold to households meeting the LMMI limits and is considered affordable if the purchaser's

monthly payments of principal, interest, taxes and insurance do not exceed 30% of the family's income. By using Energy Star systems, the City will ensure that utility costs are affordable for the residents of the proposed units. (4) Housing rehabilitation standards that will apply to NSP assisted activities. As a condition for receiving monies from the United States Department of Housing and Urban Development (HUD), the City of Knoxville Community Development Department must make reference to a code or document that defines a standard that housing rehabilitation cases shall be brought to; the Neighborhood Housing Standards have been that standard for many years. The Neighborhood Housing Standards play a major role in providing the housing staff a set of guidelines for the housing rehabilitation process, assuring the following set of priorities is provided: Safety, Health and Sanitation, Code Requirements, Program Requirements, Economy and Maintenance. Items covered by the Neighborhood Housing Standards include: general design criteria, bath facilities, facilities, systems & equipment, light & ventilation, insulation, heating, maintenance standards, windows & doors, painting & ceiling/wall finishes, siding, floors, and replacement houses. It shall be recognized that any new construction (i.e., replacement or infill housing) shall be designed and constructed according to the guidelines set forth by the United States Environmental Protection Agency's - Energy Star program.

D. LOW INCOME TARGETING The City of Knoxville will use 50% (\$1,386,400) of the total available award of \$2,735,980 to develop housing for the elderly and the chronically homeless. A total of 132 efficiency and one-bedroom units for individuals whose incomes are at or below 50% AMI will be developed to provide housing and supportive services for those with the greatest need of housing. Supportive services that they need to successfully manage their disability, they can stay housed.

E. ACQUISITIONS & RELOCATION The City of Knoxville's NSP Plan does not anticipate demolishing or converting any existing low and moderate income dwelling units. Demolition activities will be focused on vacant and blighted structures.

F. PUBLIC COMMENT A total of 76 comments were submitted from November 11-26, 2008 regarding the draft Neighborhood Stabilization Plan posted on the City's web-site on 11/11/08. Sixty-five (65) comments were sent via e-mail to the City's Community Development Department. Three individuals spoke at the City Council meeting on November 18, 2008. Eight individuals spoke at the City Council meeting on November 25, 2008. All emails are on file in the Community Development Department.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,735,980.00
Total CDBG Program Funds Budgeted	N/A	\$2,735,980.00
Program Funds Drawdown	\$87,065.53	\$1,696,696.67
Program Funds Obligated	\$0.00	\$2,735,980.00
Program Funds Expended	\$791,167.72	\$2,373,292.48
Match Contributed	\$0.00	\$463,210.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$463,210.00
Limit on Public Services	\$410,397.00	\$0.00
Limit on Admin/Planning	\$273,598.00	\$80,492.72
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$683,995.00	\$1,100,000.00

Overall Progress Narrative:

Project CD08.33 Knox Housing Partnership

>Foreclosure Acquisition and Rehabilitation

>This foreclosure acquisition project will be redeveloping 6 units of affordable housing located at 1405 Dutch Valley Drive in Knoxville. The project continues to be under construction with general contractor Wood Brothers and Eason Architects. The crew has made up for slippage in schedule due to delays caused by unsuitable soil and severely inclement weather. Work completed thus far includes site retaining wall, footings, building retaining walls and waterproofing, plumbing and electric rough-ins and prep and pour concrete slabs. The punch list completion is estimated to be Sept 2011.

Project CD08.34 The DRGR system is not allowing reporting in the specific section for this project at this time. The complete update is reported here.

>3010 Selma Avenue was a foreclosure purchased by Habitat for Humanity of Knoxville with NSP1 funds. The house has been painted, electrical refurbished and floor covering replaced. The house is on Habitat's list for sale. As soon as there is an occupant, that information will be reported here.

4044 Skyline Drive is the 15 acre site purchased by Habitat with NSP1 funds. This site will have 50 units of housing on it, but only two units have been funded with NSP dollars. Habitat projects that by the end of July, the sewer and water will be approved and the homes currently built will be recorded. In a blitz build Habitat and volunteers completed 8 houses, with one more nearly complete. The weather earlier this summer caused delays, but the project infrastructure will be complete in the next two months.

Project CD08.35 Flenniken School Rehabilitation Project - Permanent Supportive Housing: This project, undertaken by Southeastern Housing Foundation, is moving along steadily and has now drawn down all City of Knoxville NSP1 funds. The projected completion date is late September with final punch list completion by mid-October. As of June 30, 2011 the project is approximately 77% complete. Recently completed/substantially completed work includes rough grading, site utilities, foundation drainage, foundations, elevator pits, slabs, structural, framing, rough carpentry, waterproofing, insulation, roofing, windows, drywall, and sprinklers. Continuing work includes fine grading, painting, flooring, casework, millwork and carpentry, doors and hardware, security, HVAC, plumbing and electrical rough-in in new addition.

>Southeastern Housing continues to meet with Flenniken Liaison Group (consisting of South Knoxville Business and Neighborhood Association members).

Project CD08.36 Demolition project: This project was completed and fully paid for by the first quarter of 2011.

Please see past reports for project overview.

Project CD08.37 was a project managed by Volunteer Ministry Center and is complete. The apartment building,

called Minvilla Manor, serves chronically homeless people. The lease-up process is still moving forward and VMC hopes to have the building full by the end of the third quarter.

Project CD08.38 Administration: NSP1 program staff continue to administer the City of Knoxville's NSP1 program funds through designated projects described in this report. Staff also monitor project activity a quarterly basis.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
2, Minvilla	\$0.00	\$975,000.00	\$975,000.00
3, Knox Housing Partnership	\$47,035.00	\$390,000.00	\$202,977.49
4, Habitat for Humanity	\$0.00	\$300,000.00	\$300,000.00
5, Permanent Supportive Housing	\$27,277.88	\$800,000.00	\$102,826.46
6, Demolitions	\$0.00	\$35,400.00	\$35,400.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
CD-08.26, Administration	\$12,752.65	\$235,580.00	\$80,492.72

Activities

Grantee Activity Number: 08.33

Activity Title: Knox Housing Partnership

Activity Category:

Acquisition - general

Project Number:

3

Projected Start Date:

07/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Knox Housing Partnership

Projected End Date:

02/28/2013

Completed Activity Actual End Date:

Responsible Organization:

Knox Housing Partnership

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$390,000.00
Total CDBG Program Funds Budgeted	N/A	\$390,000.00
Program Funds Drawdown	\$47,035.00	\$202,977.49
Program Funds Obligated	\$0.00	\$390,000.00
Program Funds Expended	\$59,050.00	\$214,857.49
Knox Housing Partnership	\$59,050.00	\$214,857.49
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

KHP has purchased a foreclosed four-plex that is vacant. It will be demolished and two buildings each containing three units will be constructed for a total of six-units. These will be rental units for families up to 80% AMI. The units will be LEED certified and visitable. HOME/CHDO funds are also being used in the development of the project.

Location Description:

KHP has purchased a foreclosed four-plex that is vacant. It is located in census tract 41 on Dutch Valley Road. This census tract had a foreclosure risk score of 7 at the time of the NSP-1 plan approval.

Activity Progress Narrative:

CD08.33 Knox Housing Partnership

>Foreclosure Acquisition and Rehabilitation

>This foreclosure acquisition project will be redeveloping 6 units of affordable housing located at 1405 Dutch Valley Drive in Knoxville. The project continues to be under construction with general contractor Wood Brothers and Eason Architects. The crew has made up for slippage in schedule due to delays caused by unsuitable soil and severely inclement weather. Work completed thus far includes site retaining wall, footings, building retaining walls and waterproofing, plumbing and electric rough-ins and prep and pour concrete slabs. The punch list completion is estimated to be Sept 2011.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/1
# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0

# of Parcels acquired voluntarily	0	0/1
Total acquisition compensation to	0	0/390000

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/6
# of Multifamily Units	0	0/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/6	0/6	0
# Renter Households	0	0	0	0/0	0/6	0/6	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 08.35

Activity Title: Permanent Supportive Housing

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

5

Project Title:

Permanent Supportive Housing

Projected Start Date:

10/01/2009

Projected End Date:

02/28/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Southeastern Housing Foundation

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$800,000.00
Total CDBG Program Funds Budgeted	N/A	\$800,000.00
Program Funds Drawdown	\$27,277.88	\$102,826.46
Program Funds Obligated	\$0.00	\$800,000.00
Program Funds Expended	\$724,451.42	\$764,186.50
Southeastern Housing Foundation	\$724,451.42	\$764,186.50
Match Contributed	\$0.00	\$13,210.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Development of 48 units of permanent supportive housing in the former Flenniken school that has been vacant since 1994. The building will be LEED certified when complete.

Location Description:

The permanent supportive housing is located in south Knoxville in census tract 24.

Activity Progress Narrative:

CD08.35 Flenniken School Rehabilitation Project - Permanent Supportive Housing: This project, undertaken by Southeastern Housing Foundation, is moving along steadily and has now drawn down all City of Knoxville NSP1 funds. The projected completion date is late September with final punch list completion by mid-October. As of June 30, 2011 the project is approximately 77% complete. Recently completed/substantially completed work includes rough grading, site utilities, foundation drainage, foundations, elevator pits, slabs, structural, framing, rough carpentry, waterproofing, insulation, roofing, windows, drywall, and sprinklers. Continuing work includes fine grading, painting, flooring, casework, millwork and carpentry, doors and hardware, security, HVAC, plumbing and electrical rough-in in new addition.

>Southeastern Housing continues to meet with Flenniken Liaison Group (consisting of South Knoxville Business and Neighborhood Association members).

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	2/1
#Units with bus/rail access	0	96/48

#Units exceeding Energy Star	0	0/48
#Sites re-used	0	2/1
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	48/48
# of Multifamily Units	0	48/48

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/48	0/0	0/48	0
# Renter Households	0	0	0	0/48	0/0	0/48	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 08.36

Activity Title: Demolition of blighted structures

Activity Category:

Clearance and Demolition

Project Number:

6

Projected Start Date:

07/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Demolitions

Projected End Date:

01/31/2011

Completed Activity Actual End Date:

Responsible Organization:

City of Knoxville Community Development Department

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$35,400.00
Total CDBG Program Funds Budgeted	N/A	\$35,400.00
Program Funds Drawdown	\$0.00	\$35,400.00
Program Funds Obligated	\$0.00	\$35,400.00
Program Funds Expended	\$0.00	\$35,400.00
City of Knoxville Community Development Department	\$0.00	\$35,400.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Demolition and clearance of blighted properties located in residential neighborhoods in high risk census tracts. The City of Knoxville Public Service Department will carry out the demolitions. This funding paid for the demolition of 5 houses and paid partially for the demolition of a 6th property.

Location Description:

Properties that have been certified blighted located in high risk census tracts will be demolished. It is anticipated that these will be in residential neighborhoods.

Activity Progress Narrative:

CD08.36 Demolition project: This project was completed and fully paid for by the first quarter of 2011. Please see past reports for project overview.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	6/6
# of buildings (non-residential)	0	0/0
# of Public Facilities	0	0/0
# of Businesses	0	0/0
# of Non-business Organizations	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	6/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	15/15	10/10	25/25	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 08.37

Activity Title: Minvilla

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

2

Projected Start Date:

05/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Minvilla

Projected End Date:

02/28/2013

Completed Activity Actual End Date:

Responsible Organization:

Volunteer Ministry Center

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$975,000.00
Total CDBG Program Funds Budgeted	N/A	\$975,000.00
Program Funds Drawdown	\$0.00	\$975,000.00
Program Funds Obligated	\$0.00	\$975,000.00
Program Funds Expended	\$0.00	\$975,000.00
Volunteer Ministry Center	\$0.00	\$975,000.00
Match Contributed	\$0.00	\$450,000.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The redevelopment of the former Fifth Avenue Motel into Minvilla Manor, a 57 unit permanent supportive housing facility for persons who are chronically homeless. The property is currently vacant and in a blighted condition. When complete, Minvilla Manor will include efficiency and one bedroom units and community/service areas. On-site case management and continuous supervision will be provided. The rehabilitation will include Energy Star appliances and systems.

Location Description:

447 N Broadway, Knoxville, TN 37917.

Activity Progress Narrative:

Project CD08.37 was a project managed by Volunteer Ministry Center and is complete. The apartment building, called Minvilla Manor, serves chronically homeless people. The lease-up process is still moving forward and VMC hopes to have the building full by the end of the third quarter.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	3/1
#Additional Attic/Roof Insulation	0	0/57
#Units with bus/rail access	0	0/57
#Units exceeding Energy Star	0	0/57
#Sites re-used	0	0/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	57/57
# of Multifamily Units	0	57/57

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	4	0	4	31/57	0/0	31/57	100.00
# Renter Households	4	0	4	31/57	0/0	31/57	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 08.38

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

CD-08.26

Project Title:

Administration

Projected Start Date:

03/19/2009

Projected End Date:

02/28/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Knoxville Community Development Department

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$235,580.00
Total CDBG Program Funds Budgeted	N/A	\$235,580.00
Program Funds Drawdown	\$12,752.65	\$80,492.72
Program Funds Obligated	\$0.00	\$235,580.00
Program Funds Expended	\$7,666.30	\$83,848.49
City of Knoxville Community Development Department	\$7,666.30	\$83,848.49
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Administration of the NSP 1 grant including subrecipient contract management, compliance monitoring, maintenance of data and financial oversight. Reporting to HUD will be done quarterly as required.

Location Description:

Administration of the NSP 1. City of Knoxville Community Development Department is located at 400 Main Street, Knoxville, TN 37901

Activity Progress Narrative:

CD08.38 Administration: NSP1 program staff continue to administer the City of Knoxville's NSP1 program funds through designated projects described in this report. Staff also monitor project activity a quarterly basis.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
