

Action Plan

Grantee: Knoxville, TN

Grant: B-08-MN-47-0002

LOCCS Authorized Amount:	\$ 2,735,980.00
Grant Award Amount:	\$ 2,735,980.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 0.00
Total Budget:	\$ 2,735,980.00

Funding Sources

No Funding Sources Found

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. √ 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. √ 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. √ 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:

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
2	Minvilla	08.37	Minvilla
3	Knox Housing Partnership	08.33	Knox Housing Partnership
4	Habitat for Humanity	08.34	Habitat for Humanity
5	Permanent Supportive Housing	08.35	Permanent Supportive Housing
6	Demolitions	08.36	Demolition of blighted structures
9999	Restricted Balance	<i>No activities in this project</i>	
CD-08.26	Administration	08.38	Administration



Activities

Project # / Title: 2 / Minvilla

Grantee Activity Number: 08.37
Activity Title: Minvilla

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 2

Projected Start Date:
 05/01/2009

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Minvilla

Projected End Date:
 02/28/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 975,000.00

Other Funds: \$ 0.00

Total Funds: \$ 975,000.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	57	57		100.00
# of Households	57	57		100.00

Proposed Accomplishments	Total
# of Multifamily Units	57
# of Housing Units	57
#Sites re-used	1
#Units exceeding Energy Star	57
#Units with bus/rail access	57
#Additional Attic/Roof Insulation	57
# of Properties	1



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Volunteer Ministry Center

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Volunteer Ministry Center	Unknown	\$ 975,000.00

Location Description:

447 N Broadway, Knoxville, TN 37917.

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 included 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.

Project # / Title: 3 / Knox Housing Partnership

Grantee Activity Number:	08.33
Activity Title:	Knox Housing Partnership

Activity Type:

Acquisition - general

Activity Status:

Under Way

Project Number:

3

Project Title:

Knox Housing Partnership

Projected Start Date:

07/01/2009

Projected End Date:

02/28/2013

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget: \$ 390,000.00

Other Funds \$ 0.00

Total Funds \$ 390,000.00

Environmental Assessment:



COMPLETED

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	6		6	100.00
# of Households	6		6	100.00

Proposed Accomplishments	Total
# of Multifamily Units	6
# of Housing Units	6
Total acquisition compensation to owners	390000
# of Parcels acquired voluntarily	1
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	
# of Properties	1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Knox Housing Partnership

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Knox Housing Partnership	Unknown	\$ 390,000.00

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 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.

Project # / Title: 4 / Habitat for Humanity

Grantee Activity Number: 08.34



Activity Title: Habitat for Humanity

Activity Type:

Acquisition - general

Project Number:

4

Projected Start Date:

07/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Habitat for Humanity

Projected End Date:

02/28/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 300,000.00

Other Funds: \$ 0.00

Total Funds: \$ 300,000.00

Proposed Beneficiaries

Owner Households

	Total	Low	Mod	Low/Mod%
# Owner Households	5	5		100.00
# of Households	5	5		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

of Housing Units

Total acquisition compensation to owners

of Parcels acquired voluntarily

of Parcels acquired by admin settlement

of Parcels acquired by condemnation

of Properties

Total

5

5

300000

5

5



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Knoxville Habitat for Humanity

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Knoxville Habitat for Humanity

Organization Type

Unknown

Proposed

\$ 300,000.00

Location Description:

Properties will be located in high risk census tracts in the City of Knoxville.

Activity Description:

Purchase and rehabilitation or redevelopment of 5 abandoned and/or foreclosed properties to be sold to families at or below 50% area median income.

Project # / Title: 5 / Permanent Supportive Housing

Grantee Activity Number: 08.35

Activity Title: Permanent Supportive Housing

Activity Type:

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

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget:

\$ 800,000.00

Other Funds

\$ 0.00

Total Funds

\$ 800,000.00

Environmental Assessment:

COMPLETED



Benefit Report Type:

Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	48	48		100.00
# of Households	48	48		100.00

Proposed Accomplishments	Total
# of Multifamily Units	48
# of Housing Units	48
# ELI Households (0-30% AMI)	
#Sites re-used	1
#Units exceeding Energy Star	48
#Units with bus/rail access	48
# of Properties	1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Southeastern Housing Foundation

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Southeastern Housing Foundation	Unknown	\$ 800,000.00

Location Description:

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

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.

Project # / Title: 6 / Demolitions

Grantee Activity Number: 08.36

Activity Title: Demolition of blighted structures



Activity Type:

Clearance and Demolition

Project Number:

6

Projected Start Date:

07/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Demolitions

Projected End Date:

04/30/2013

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:**

\$ 91,274.23

Other Funds

\$ 0.00

Total Funds

\$ 91,274.23

Proposed Beneficiaries

of Households

Total

25

Low

15

Mod

10

Low/Mod%

100.00

Proposed Accomplishments

of Housing Units

Total

13

of Non-business Organizations benefitting

of Businesses

of public facilities

of buildings (non-residential)

of Properties

13

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

City of Knoxville Community Development Department

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

City of Knoxville Community Development Department

Organization Type

Unknown

Proposed

\$ 105,400.00



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 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.

Project # / Title: CD-08.26 / Administration

Grantee Activity Number:	08.38
Activity Title:	Administration

Activity Type:

Administration

Project Number:

CD-08.26

Projected Start Date:

03/19/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

05/10/2013

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 179,705.77**Other Funds** \$ 0.00**Total Funds** \$ 179,705.77

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Knoxville Community Development Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Knoxville Community Development Department	Unknown	\$ 165,580.00

Location Description:

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

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.

Action Plan Comments:

Reviewer - Activities narrative is included under Recovery Needs. Approved.

Reviewer - Grantee added narrative to existing activities. Approved 4/26/10 by EH.

Reviewer - The Permanent Supportive Housing project (8.35) to be developed in the Flenniken School will be for families at or below 50% AMI and will be used to meet the 25/50 requirement. This was formerly not allowed to be counted to meet the 25/50 requirement and with HUD changes to the program is now eligible. Project 8.33 being developed by KHP will be for families at or below 80% AMI. This project was previously for families at or below 50% AMI and used for the 25/50 requirement. It is not now in that calculation. Also the updated updated now shows that several Environmental reviews were completed. EH

Reviewer - Action Plan approved so grantee could submit QPR. Both will be reviewed Monday, January 31, 2011. -EH

Reviewer - The amended Action Plan is approved as submitted for transfer of funds in the amount of \$70,000 from Admin to the demolitaion and clearance of blighted properties activity. Which allows the City of Knoxville to demolish 8 additional properties which for a total of 13, which far exceeds the 5 properties in the orifinal action plan.



Reviewer - Acceptable budget revisions and approved as follows: Admin: CD08.38 \$165,580.00 and Demolition CD08.36 \$105,400.

Reviewer - Admin and Demolition activities remain unchanged.EDH

Action Plan History

Version	Date
B-08-MN-47-0002 AP#1	05/25/2016
B-08-MN-47-0002 AP#2	06/03/2013
B-08-MN-47-0002 AP#3	05/07/2013
B-08-MN-47-0002 AP#4	05/03/2013
B-08-MN-47-0002 AP#5	04/30/2013
B-08-MN-47-0002 AP#6	04/18/2013
B-08-MN-47-0002 AP#7	03/12/2013
B-08-MN-47-0002 AP#8	01/11/2013
B-08-MN-47-0002 AP#9	04/25/2011
B-08-MN-47-0002 AP#10	04/26/2010

