

Grantee: Knoxville, TN

Grant: B-08-MN-47-0002

July 1, 2009 thru September 30, 2009 Performance Report

Grant Number:

B-08-MN-47-0002

Obligation Date:**Grantee Name:**

Knoxville, TN

Award Date:**Grant Amount:**

\$2,735,980.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

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 Knoxvilles 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.

Recovery Needs:

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 purchasers monthly payments of principal, interest, taxes and insurance do not exceed 30% of the familys 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.

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	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$199,248.65	\$199,248.65
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$199,248.65
Limit on Public Services	\$410,397.00	\$0.00
Limit on Admin/Planning	\$273,598.00	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The NSP project is underway with contracts in place for three activities being implemented by subrecipients. A new Project Specialist was hired to serve as the Project Manager for NSP funded activities. Rehabilitation of Minvilla Manor, 08.37, has started. Acquisition and rehab of foreclosed properties, 08.34, is also underway. Detail on each activity is provided.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
2, Minvilla	\$0.00	\$0.00	\$975,000.00	\$0.00
3, Knox Housing Partnership	\$0.00	\$0.00	\$390,000.00	\$0.00
4, Habitat for Humanity	\$0.00	\$0.00	\$300,000.00	\$0.00
5, Permanent Supportive Housing	\$0.00	\$0.00	\$800,000.00	\$0.00
6, Demolitions	\$0.00	\$0.00	\$35,400.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
CD-08.26, Administration	\$0.00	\$0.00	\$235,580.00	\$0.00

Activities

Grantee Activity Number: 08.33

Activity Title: Knox Housing Partnership

Activity Category:

Acquisition - buyout of residential properties

Activity Status:

Planned

Project Number:

3

Project Title:

Knox Housing Partnership

Projected Start Date:

07/01/2009

Projected End Date:

02/28/2013

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Knox Housing Partnership

Overall

Jul 1 thru Sep 30, 2009

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	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Purchase 5 abandoned and/or foreclosed homes and rehabilitate to be occupied by families at or below 50% area median income. These may be for sale or for rent.

Location Description:

Abandoned and foreclosed homes will be purchased in target census tracts with high foreclosure risk scores. It is anticipated that the activity will take place in census tracts 8, 22 and 23 located in south Knoxville.

Activity Progress Narrative:

Knox Housing Partnership, the subrecipient implementing this activity, is looking at several foreclosed properties for possible acquisition for rehabilitation/redevelopment. Environmental reviews are being conducted for the sites. The contract with KHP was approved by City Council on 6/30/09. No NSP funds have been invoiced or drawn to date.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of housing units	0	0	0	0/0	0/0	0/5
# of Households benefitting	0	0	0	0/5	0/0	0/5
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/5
Total acquisition compensation to	0	0	0	0/0	0/0	0/390000

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:	08.34
Activity Title:	Habitat for Humanity

Activity Category:

Acquisition - buyout of residential properties

Activity Status:

Planned

Project Number:

4

Project Title:

Habitat for Humanity

Projected Start Date:

07/01/2009

Projected End Date:

02/28/2013

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Knoxville Habitat for Humanity

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$300,000.00
Total CDBG Program Funds Budgeted	N/A	\$300,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

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.

Location Description:

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

Activity Progress Narrative:

Knoxville Habitat for Humanity is the subrecipient implementing this activity. City Council approved the contract with KHFH on 6/16/09. Two foreclosed properties have been located and environmental reviews have been completed. No NSP funds have been invoiced or drawn during this quarter.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of housing units	0	0	0	0/0	0/0	0/5

# of Households benefitting	0	0	0	0/5	0/0	0/5
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/5
Total acquisition compensation to	0	0	0	0/0	0/0	0/300000

Activity Locations

Address	City	State	Zip
2621 Wilson Ave	Knoxville	NA	37914
2527 Washington Ave	Knoxville	NA	37917

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:

Construction of new housing

Activity Status:

Planned

Project Number:

5

Project Title:

Permanent Supportive Housing

Projected Start Date:

10/01/2009

Projected End Date:

02/28/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Southeastern Housing Foundation

Overall

Jul 1 thru Sep 30, 2009

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

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Development approximately 48-50 units of permanent supportive housing for the chronically homeless. Supportive services will be provided.

Location Description:

The permanent supportive housing will be located in a high risk census tract within the city of Knoxville.

Activity Progress Narrative:

Property has not been identified for this activity although search for property continues.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/50
# of Households benefitting	0	0	0	0/50	0/0	0/50

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

Activity Status:

Planned

Project Number:

6

Project Title:

Demolitions

Projected Start Date:

07/01/2009

Projected End Date:

06/30/2010

National Objective:

Low/Mod

Responsible Organization:

City of Knoxville Community Development Department

Overall

Jul 1 thru Sep 30, 2009

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	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
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.

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:

Two blighted properties have been identified for demolition and environmental reviews are in process. No NSP funds have been invoiced or drawn.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of housing units	0	0	0	0/0	0/0	0/5
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Public Facilities	0	0	0	0/0	0/0	0/0
# of Businesses	0	0	0	0/0	0/0	0/0
# of Non-business Organizations	0	0	0	0/0	0/0	0/0

# of Households benefitting	0	0	0	0/15	0/10	0/25
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Activity Locations

Address	City	State	Zip
107 S Chestnut	Knoxville	NA	37914
638 Maryville Pike	Knoxville	NA	37920

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

Activity Status:

Under Way

Project Number:

2

Project Title:

Minvilla

Projected Start Date:

05/01/2009

Projected End Date:

02/28/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Volunteer Ministry Center

Overall

Jul 1 thru Sep 30, 2009

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	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$199,248.65	\$199,248.65
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 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.

Location Description:

447 N Broadway, Knoxville, TN 37917.

Activity Progress Narrative:

During this quarter the following progress has been made on this activity; Construction contract signed with Wood Brothers Construction on 8/24/09, private financing (tax credits and bonds) for development of project was closed on 9/4/09, public groundbreaking ceremony was held on 9/8/09, construction started on 9/8/09. To date the work has focused on demolition of damaged and non-historic interior materials, reinforcement of existing structural members, and preliminary site work. construction is expected to last 12 months.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	1/1
# of housing units	0	0	0	0/0	0/0	0/57
# of Households benefitting	0	0	0	0/57	0/0	0/57

Activity Locations

Address	City	State	Zip
447 Broadway	Knoxville	NA	37917

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

National Objective:

N/A

Responsible Organization:

City of Knoxville Community Development Department

Overall

Jul 1 thru Sep 30, 2009

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

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

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:

Implementation of the NSP program is underway. A new Project Specialist was hired on 9/8/09 to serve as the project manager of NSP activities. Additionally, Brown Pearman Russell, LLC has been procured to monitor the Davis-Bacon compliance on the Minvilla project. While some staff hours have been expended, they have not been re-classified to the NSP project yet. This will be reflected in the next quarterly report.

Performance Measures

No 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
