



Third Program Year Action Plan

The CPMP Third Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 3 Action Plan Executive Summary:

Part One: Executive Summary

This is the County's third year Action Plan of a 5-Year Strategic Plan that identifies activities it will undertake during the program year beginning July 1, 2007 and ending June 30, 2008 using Federal funds granted to Knox County by the U.S. Department of Housing and Urban Development (HUD) to address priority needs in housing and the community. The *Annual Action Plan* describes how Knox County intends to invest the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds that include funds for the American Dream Downpayment Initiative (ADDI) for the 2007 program year. Programs and activities described in this plan are intended to primarily benefit low-income and moderate-income residents of Knox County. It also identifies the resources that the County and other local organizations may use to further the strategies in the *Knox County Housing and Community Development Plan*.

Federal funding totals \$1,451,535 for the period July 1, 2007 to June 30, 2008. As the lead agency for the County's CDBG and HOME programs, Knox County Department Community Development (KCCD) prepares each year's Action Plan based on public outreach, consistent with the County's 2005-2010 Five Year Consolidated Plan. A complete draft of this plan is available for public review and comment for a 30-day period beginning April 9, 2007 with the availability advertised in the local newspaper and the complete document



available for review in print form at the office of Knox County Community Development and the Knox County Public Library.

The proposed activities include general administration, housing programs and activities, public services and public improvements. The Action Plan outlines other housing and community development actions to be taken in accordance with the Strategic Plan. These include the prevention of homelessness, the reduction of lead-based paint hazards, removal of barriers to affordable housing development, and addressing underserved needs. And, finally, the proposed activities take into account the *Mayor's 4 Goals* for the community:

1. **Great Schools** – “The future holds nothing if we don’t give our children the opportunity to obtain a great education;”
2. **Economic Results** – “Economic development is important to our County; it ensures that we remain a progressive community that continually provides higher standards of living and good jobs. We’re working hard to ensure that all current and future Knox Countians have new and better jobs;”
3. **Caring for Seniors** – “I’ve found that, in Knox County, each generation has made our community a better place for the next. As a younger generation inherits this responsibility, we must ensure that those who came before us are not left behind;” and
4. **Making Government Better Every Day** – “We have improved many of our government services, but we’ve actually reduced the number of county employees. We’ve focused on being more efficient and challenged the way things have always been done.”

SUMMARY OF OBJECTIVES AND OUTCOMES

Consolidated funds for the 2007/08 Program Year will be allocated among the following nationally reportable objectives and outcomes, established by HUD:

Creating Suitable Living Environments: Availability/Accessibility

One public facility will receive funding during the program year that is designed to make services and facilities available or accessible to low and moderate-income people, as a means of addressing issues in their living environment. Once completed these public facility improvements will provide improved availability to a service.

- Lisa Ross Birth and Women’s Center – Building Acquisition – (CDBG)



Creating Suitable Living Environments: Affordability

Four supported projects provide essential services and are activities that are designed to address and improve quality of life, both for the individuals needing the services and the community around them.

- InterFaith Health Clinic - Medical Assistance Program for the Working Uninsured – (CDBG)
- Parkridge Harbor – Mental Health Counseling HIV and Substance Abuse Treatment – (CDBG)
- Public Defender’s Office – Mental Health Counseling – (CDBG)
- Volunteer Ministry Center – The Peoples’ Clinic – (CDBG)

Provide Decent Affordable Housing: Availability/Accessibility

Six projects will help improve availability and access to affordable housing for individuals and families through direct housing related services and/or creation of new housing units. Housing will be available to low and moderate-income households, thereby increasing the supply of affordable housing in the community.

- Knox County Reconstruction Assistance Program – (HOME)
- Knox County Water/Sewer Assistance Program – (CDBG)
- Community Action Committee Minor Home Repair Program – (CDBG)
- Knox Housing Partnership Homeownership Training Program – (CDBG)
- Stock Creek Sewer Assistance Program – (CDBG)
- Young Women’s Christian Association (YWCA) – Security System for Residential Program – (CDBG)

Provide Decent Affordable Housing: Affordability

In the 2007/08 Program Year, two projects will be funded to help improve the affordability of housing. Both involve HOME set-aside funds as the provision of assistance to aid low and moderate-income households in purchasing their first homes.

- Knox County American Dream Downpayment Assistance Program (HOME/ADDI)
- Tennessee Conference Community Development First-Time Homebuyer (HOME/CHDO)
- Community Action Committee – Home Inspections – (CDBG)

Evaluation of Past Performance

In 2005 Knox County completed a new Five Year Consolidated Plan for year 2005-2010. The Plan incorporates substantial public input, grantee and subrecipient experiences over the previous five years along with changes in local government and circumstances to establish new strategies. Changes to priority needs do take place however, and, as they warrant, Knox County will garner public input as established in the Plan.



Knox County has been successful, overall, in meeting, and in most cases exceeding, its projected performance goals and objectives as defined in the Action Plan and defined by the Consolidated Plan. Problems associated with the County's own housing rehabilitation program are being addressed and the program revamped. Construction costs have increased substantially over the past few years while available consolidated plan funds continue to decline. A new reconstruction program providing modular homes to homeowners who will be required to pay a mortgage is set to begin by the start of the 2007/08 Program Year. With the reductions and uncertainty of Federal funds, the mortgage payments will become the income needed for Knox County to become self-supporting in housing programs.

The County's involvement with partnerships and developing collaborative efforts between area housing and supportive service agencies is instrumental in meeting needs of the low and moderate-income citizens. Through organizations such as the Community Action Committee and its Minor Home Repair Program, over 80 elderly, disabled and female homeowners received assistance to sustain their homes. InterFaith Health Clinic provided much needed medical services to more than 250 working uninsured and, Parkridge Harbor assisted over 100 clients with mental health counseling, HIV, drug and alcohol substance abuse treatments and transitional housing assistance.

Knox County 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. Nonetheless, funding availability remains an obstacle that is ever increasing. Organizations serving these populations continue to experience significant reductions in funding from both government and private sources, leaving many worthy and valuable programs unfounded or under-funded. This challenge is beyond the capacity of the local jurisdiction to satisfactorily address.

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:

KCCD primarily makes CDBG and HOME funds available in the unincorporated areas of the County, except in circumstances as needs dictate or identified as an immediate need by the Mayor of Knox County. KCCD designs its programs to maximize their geographic impact due to the dispersion of residents across a wide geographic area. Any exceptions to this practice will be programs developed specifically to serve the needs of certain target clientele and/or neighborhoods.

Because the City of Knoxville receives entitlement CDBG and HOME funding from HUD, the County prefers to use its allocation for low- and moderate-income persons living outside the City. Consideration will be given to those organizations serving a population that exceeds 80 percent of median income to provide, at a minimum, that 51 percent of the people be low and moderate-income.

Within the strategic framework established to respond to the County's overall housing and community development objectives, the use of HOME, including ADDI funds, and Community Development Block Grant funds responds to the priorities of KCCD to meet the needs of preserving existing housing and expanding the supply of housing. The CDBG program also addresses housing and service requirements of persons with HIV/AIDS and the need to prevent homelessness. The Consolidated Plan and the FY 2007 Action Plan are consistent with the County's Continuum of Care 10 Year Plan.

The *2007 Annual Action Plan* format facilitates implementation of the County's 5-year Consolidated Plan strategies. This format assists KCCD, its partners, and Knox County citizens track performance more effectively. The Annual Action Plan describes the projects and activities planned for the upcoming program year in relation to the Consolidated Plan's strategies, goals, and objectives.

Under the regulations of the CDBG Program no more than 15% of the funds available may be spent on Public Service activities. KCCD provides a technical assistance workshop to discuss the availability of these and all funds and to invite interested and qualified non-profit organizations to submit proposals for funding. Staff reviews these applications and a recommendation is made to the County Mayor and later the County Commission during a regularly scheduled session. The County conducts one official public hearing and two opportunities for citizens to comment on the proposed Action Plan prior to submission to HUD.



Addressing Obstacles to Meeting Under-Served Needs

Knox County 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. KCCD will provide technical assistance to providers, as their needs demand.

The primary obstacle to meeting underserved needs of low-income and moderate-income populations continues to be the availability of funds. Organizations serving these populations continue to experience significant reductions in funding from both government and private sources, leaving many worthy and valuable programs unfounded or under-funded. This challenge is beyond the capacity of the local jurisdiction to satisfactorily address.

Federal, State and Local Resources

An estimated \$1,512,709 in Federal resources will help address the needs identified in the Plan. Although entitlement funding has remained relatively stable over the past several years, it is never easy to predict. Congress reduced allocations approximately 10% for PY 2006 allocations and kept PY 2007 at or slightly below those appropriations. KCCD does not anticipate program income from prior years (not previously programmed or reported), nor does it anticipate any reprogramming of prior year funds.

Available Program Funds

	CDBG	HOME/ADDI	TOTAL
2007/08 Entitlement	\$1,027,836	\$409,873	\$1,437,709
Estimated Program Income	65,000	10,000	75,000
Estimated Total Funds	\$1,092,836	\$419,873	\$1,512,709

CDBG Public Service Activity Cap

2007/08 Entitlement	\$1,027,836
Public Service Cap	15%
Maximum Public Service Amt	\$ 154,175

HOME CHDO Set-Aside Calculation

2007/08 Entitlement	\$ 409,873
CHDO Set-Aside Percentage	15%
Minimum CHDO Set-Aside	\$ 61,481

As the entitlement grantee for the CDBG, HOME and ADDI programs, Knox County Community Development (KCCD) is the lead agency for the development of this Annual Action Plan and will act as one of several public and private agencies to administer programs and activities. Knox County



anticipates that the following Federal, State, local, and private resources will remain available over the 5-year planning period to address priority strategies.

FEDERAL RESOURCES

Funds from HUD and a variety of other Federal sources are available to address the Consolidated Plan's priority needs, such as grants and other revenues that provide funding to Knox County or other organizations within the County.

Community Development Block Grant (CDBG)

Expected FY 2007 Funding: \$1,027,836 (w/o program income)

The CDBG is one of the longest and most flexible programs at HUD. As an entitlement community Knox County uses CDBG funds to provide decent housing, a suitable living environment, and economic opportunities for low and moderate-income persons.

HOME Investment Partnerships Act (HOME)

Expected FY 2007 Funding: \$423,185 (w/o program income)

HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. The required set-aside of 15 percent of the allocation is provided to an eligible Community Housing Development Organization (CHDO), and Knox County uses up to 10 percent of the allocation for planning and administration. HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities. Knox County provides the majority of its HOME funds for CHDO projects, acquisition of land for the construction of rental projects including seniors and persons with special needs, and housing rehabilitation.

HUD's HOME Investment Partnerships program requires a 25 percent match from non-Federal resources. The Tennessee Housing Development Agency's HOME program requires a 1 to 1.33 match. HOME's match requirement of 25 cents of every dollar in program funds is passed on to subrecipients. Generally, bank financing, state monies and in-kind services have provided the match.

American Dream Downpayment Initiative (ADDI)

Expected FY 2007 Funding: \$8,357 (Included in HOME Total)

Funds can only be used to provide downpayment assistance to enable low-income renters with household incomes at or below 80 percent of the area median income to purchase their first home. Knox County will award ADDI funds to 2 eligible buyers.

Section 108 Loan Guarantee Program: Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important



public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Section 202 Elderly Housing: The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811).

HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.

Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 5 years and are renewable based on the availability of funds.

Section 811 Special Needs Housing: This program allows persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services. The program also provides project rental assistance, which covers the difference between the HUD-approved operating costs of the project and the tenants' contribution toward rent. The program is similar to Supportive Housing for the Elderly (Section 202).

HUD provides interest-free capital advances to nonprofit sponsors to help them finance the development of rental housing such as independent living projects, condominium units and small group homes with the availability of supportive services for persons with disabilities. The capital advance can finance the construction, rehabilitation, or acquisition with or without rehabilitation of supportive housing. The advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

McKinney Act Resources: Programs under the McKinney Act provide funding for homeless families and individuals with disabilities. Following are programs that provide housing and support services to meet the critical needs of our citizens with disabilities:



- **Supportive Housing Program (SHP):** The Supportive Housing Program is authorized by Title IV Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended. It is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. Assistance in the Supportive Housing Program is provided to help homeless persons meet three overall goals:
 - achieve residential stability,
 - increase their skill levels and/or incomes, and
 - obtain greater self-determination (i.e., more influence over decisions that affect their lives).

Specific performance measures for each of these three goals must be established based on the needs and characteristics of the homeless population to be served.

- **Shelter Plus Care (SPC):** SPC targets the hardest to serve homeless population, those with mental and physical disabilities who are living on the street or in shelters. SPC is a competitive grant program that provides rental assistance funded by HUD that is to be matched with an equal or greater dollar value of supportive services from other Federal, State, local, or private funding sources. Four different delivery mechanisms include sponsor, project, and tenant-based assistance, in addition to support for Section 8 SRO facilities in the form of an operating expense subsidy. Assistance provided to projects is available for 10 years; assistance to sponsors and directly to tenants is available for 5 years. HUD has awarded three rounds of SPC grants and existing programs are now renewed annually through the Super NOFA process.

Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO)

Housing: The Single Room Occupancy (SRO) program is authorized by Section 441 of the McKinney-Vento Homeless Assistance Act. Under the program, HUD enters into Annual Contributions Contracts with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units. These PHAs make Section 8 rental assistance payments to participating owners (i.e., landlords) on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments cover the difference between a portion of the tenant's income (normally 30%) and the unit's rent, which must be within the fair market rent (FMR) established by HUD.

The program targets homeless persons capable of independent living, including those afflicted by mental illness, physical handicaps, or substance abuse. Awarded as a competitive grant, the SRO program's selection criteria encourage, but do not require recipients integrate supportive services into the housing package.



Housing Choice Voucher Program (Section 8)

Administering Agency: Knox County Housing Authority (KCHA)

Currently, the two main Section 8 programs are tenant-based vouchers and project-based vouchers.

Knox County Housing Authority can choose to project-base up to 25% of its total vouchers, meaning that the vouchers are linked to a particular apartment. Eligible families pay 30% of their income while living in the apartment, but cannot take that voucher with them to another complex or private residence.

Under the tenant-based program, eligible families with a certificate or voucher find and lease a unit in the private sector and pay a portion of the rent (based on income, generally around 30%). The local housing authority pays the owner the remaining rent, subject to a cap referred to as "Fair Market Rent" (FMR) which is determined by HUD. The owner cannot charge a Section 8 tenant more than FMR, even if the owner does so for non-Section 8 tenants in similar units.

One of the essential features of the tenant-based voucher is the idea of portability. Tenants can rent anywhere they choose, not limited to specific complexes. Eligible families may in theory move anywhere in the United States (and Puerto Rico) where there is a public housing authority operating a Section 8 program; however, in practice, some jurisdictions are unable or unwilling to take transferred vouchers, primarily due to the differences in the costs of program administration in different housing markets around the country.

In addition, landlords, though required to meet fair housing laws, are not required to participate in the Section 8 program. As a result, some landlords will not accept a Section 8 tenant, either as a result of not wanting the government involved in their business, or fear that a Section 8 tenant will not properly maintain the premises. However, other landlords willingly accept Section 8 tenants, due to the promise of prompt regular payments from the housing authority, and since a tenant under Section 8 can be removed from the program if s/he damages the rental unit or fails to pay his/her rent.

Whether voucher or project-based, all subsidized units must meet federal Housing Quality Standards, thus ensuring that the family has a healthy and safe place to live. This improvement in the housing stock is an important by-product of this program, both for the individual families and for the larger goal of community development.

Housing Opportunities for Persons with AIDS (HOPWA): This program provides both entitlement and competitive grants for housing assistance and supportive services for low-income persons with AIDS and related diseases. It can be used for acquisition, rehabilitation, conversion, lease, repair of facilities, new construction, project-based or tenant-based rental assistance, planning, support services, operating costs, short-term payments (rent, mortgage, utility) and administrative expenses.



Low-Income Housing Tax Credits (LIHTC): Tennessee Housing Development Agency administers this program under which investors receive a stream of credits against their federal taxes in exchange for providing funds for low-income housing. The LIHTC program supports the construction or acquisition and substantial rehabilitation of low-income family housing as well as special needs housing and low-income housing preservation. At least 20 percent of the units must be reserved for and made affordable to persons with income 50 percent or less than the area median gross income *or* at least 40 percent of the units must be made affordable for persons with incomes 60 percent or less than the area median income.

Low-Income Housing Preservation Program: This competitive program provides financial incentives to retain subsidized housing projects when Federal assistance is expiring. The owner may apply for incentives or sell to another entity that will maintain low-income affordability restrictions.

USDA Rural Development Agency: Rural Development forges partnerships with rural communities, funding projects that bring housing, community facilities, utilities and other essential services. USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for all rural Americans.

Rural Housing Programs: Rural Housing Programs help finance safe, sanitary housing for citizens living in rural areas of low and moderate-income levels in rural communities with populations of under 10,000 (however, communities with up to 20,000 may be eligible). Programs consist of single-family homeownership, development of multiple family/elderly rental units, and home improvement for existing homeowners.

- ***Single Family Homeownership:*** There are two types of single-family homeownership loans: direct or guaranteed. The purpose is to provide financing with little or no downpayment at favorable rates and terms either through a direct loan from Rural Development or a guaranteed loan through a private financial institution.
- ***Multi-Family Housing Programs (MFH):*** Home improvement loans and grants help elderly and low income homeowners remove health and safety hazards, such as failing septic systems, contaminated wells and leaking roofs, to name a few.

Lead-Based Paint Abatement Program: This program provides competitive grants to State and local governments for the development of cost effective community strategies for lead-based paint abatement. Recipients may use the funds for rehabilitation, planning and operating costs. Funding match is required for this program.

Surplus Housing to Assist the Homeless: This program leases suitable Federal properties, rent free, to organizations serving the homeless. The



organizations must pay operating and any rehabilitation and/or renovation costs.

Community Services Block Grant (CSBG): This program can fund activities to implement anti-poverty activities such as housing counseling, emergency assistance and other supportive services. The Knoxville/Knox County Community Action Committee is one organization that receives this Federal-funding grant.

Community Outreach Partnership Center (COPC) Program: This HUD program provides funding for universities to become more involved in community development activities. The University of Tennessee has received funding through this program.

Department of Energy: The Department of Energy provides funds to the Knoxville/Knox County Community Action Committee to carry out weatherization and energy assistance programs for low-income homeowners and tenants.

Brownfields Economic Development Initiative (BEDI) Grants: BEDI grants target Economic Development Initiative funds to brownfields projects. BEDI grants are made to local governments for use in supporting brownfield redevelopment activities and projects financed in whole or in part with Section 108 loan guarantees.

Economic Development Initiative (EDI): The Economic Development Initiative provides grants to be used in tandem with Section 108 guaranteed loans for economic revitalization projects. These grants will enhance the viability of such projects (through interest rate subsidies and debt service/operating reserves) and increase the likelihood that the Section 108 loans can be repaid from project revenue.

Federal Historic Preservation Tax Incentives: Federal Historic Preservation Tax Incentives are available for buildings listed in the *National Register of Historic Places* or located in certain historic districts that are substantially rehabilitated for income-producing purposes according to standards set by the Secretary of the Interior.

New Markets Tax Credit (NMTC): Enacted by Congress in December 2000, the NMTC program authorized tax credits for the financing of economic development in low-income communities. The tax credits are available to investors in community development entities that will use the proceeds to make loans and investments in businesses located in low-income communities. The credits can bridge financing gaps; create new partnerships among investors, communities, businesses, and government; and generate jobs, services and revitalization in distressed areas, in much the same way that LIHTC's did for affordable housing.

Public Works and Development Facilities Program: Grants are provided to help distressed communities attract new industries, encourage business



expansion, diversify local economies, and generate long-term, private-sector jobs. Projects funded include water and sewer facilities primarily serving industry and commerce, access roads to industrial parks or sites, port improvements, and business incubator facilities. A proposed project must be located within or provide a substantial direct benefit to an area in severe economic distress, that is, one that is experiencing high unemployment, low per capita income, or sudden economic changes such as those caused by a military base closure.

Rural Business Enterprise Grant Program: These grants help public bodies, nonprofit organizations, and federally recognized tribal groups finance and facilitate development of small and emerging private business enterprises located in rural areas. Grant funds can pay for land acquisition and development, construction of buildings and plants, equipment, access streets and roads, parking areas, utility and service extensions, refinancing, and fees for professional services.

Rural Economic Development Grants: This program provides grants to rural communities through Rural Utilities Service (RUS) borrowers to be used for revolving loan funds for community facilities and infrastructure and for assistance in conjunction with rural economic development loans.

Farm Labor Housing Loans and Grants: This program provides insured loans or project grants to provide decent, safe, and sanitary low-rent housing and related facilities for domestic farm laborers. Loans are available to farmers, family farm partnerships, family farm corporations, or associations of farms. Loans and grants are available to States and U.S. territories, political subdivisions of States, public or private nonprofit organizations or any limited partnership in which the general partner is a nonprofit entity, federally recognized Indian tribes, and nonprofit corporations of farm workers. Grants are awarded only when there is a pressing need and when it is doubtful that such facilities could be provided without grant assistance.

The Single Family Home Loan Program (Section 502): This program involves a low interest loan directly from the agency to a prospective homeowner. The interest rate depends on the income and size of the family and can be as low as 1%. There is no down payment. To qualify, the family's income has to be below certain limits, which are different depending on location.

Guaranteed Single-Family Home Loan Program: This program helps moderate-income people qualify for a mortgage loan from a bank or mortgage company. The Federal Government guarantees the lender up to 80 or 90% of the loan against losses if there is default on the loan.

Self-Help Loan Program: Self-Help Loan Program assists groups of 6 to 8 families or individuals who want to build their own homes with professional supervision. All participants work on each other's houses, which are all built at the same time. There is no down payment and the overall mortgage is lower because of savings in labor costs.



Home Repair Loan Program (Section 504): The Home Repair Loan Program is available to low-income and elderly people who prefer to stay in their current homes, though they cannot afford repairs.

Rural Rental Program (Section 515): The Rural Rental Program provides low-income people apartments to rent for typically no more than 30% of their income. This program also assists developers, non-profits, and others to construct affordable apartments in return for favorable interest rates on their loan and tax breaks.

Housing Preservation Grant Program: This program also makes available funds to repair housing. Non-profits receive grants and they in turn make funds available to homeowners that cannot afford to make needed repairs.

Multifamily Housing and Health Care Facilities Mortgage Insurance Programs: The Federal Housing Administration (FHA), part of the U.S. Department of Housing and Urban Development (HUD), provides mortgage insurance programs that make capital available for, and facilitate the development of, multifamily rental housing and healthcare facilities. FHA insures loans that are originated by private, HUD-approved lenders. Project sponsors are responsible for finding a HUD-approved lender to write the loan and for submitting an application for commitment to the local HUD office.

Rural Business Opportunity Grants: This grant provides funds for technical assistance, training, and planning activities that improve economic conditions in rural areas. Applicants must be located outside cities of more than 10,000 persons. Nonprofit corporations and public bodies are eligible. The program is designed to promote sustainable economic development in rural communities with exceptional needs.

Head Start/Early Head Start: Eligibility for Head Start services is largely income-based (100% of the federal poverty level), though each locally operated program includes other eligibility criteria such as disabilities and services to other family members. As of late 2006, up to 10% of any funded program's enrollment can be from over-income families.

The goal of Head Start is to ensure that those children enrolled in the program are ready to begin school. Educational standards are fully outlined in national performance standards which, over the years, have become the de facto standards for high-quality pre-school education programs.

Community Facilities Grant Program: The Community Facilities Grant Program typically is used to fund projects under special initiatives such as Native American community development efforts, childcare centers linked with the Federal Government's Welfare to Work initiative, federally designated Enterprise and Champion Communities, and the Northwest Economic Adjustment Initiative area.

State Public Resources



Funds from State sources are available to address the Consolidated Plan's priority needs, such as grants and other revenues that provide funding to Knox County or other organizations within the County.

THDA Homeownership Mortgage Programs: The Tennessee Housing Development Agency administers reduced interest rate mortgage financing programs for first-time homebuyers. The program is limited to very low, low and moderate-income households by income and sales price. Currently four programs are under their homeowner ownership mortgage program including Homeownership, Homeownership Plus, Start, and Start Plus. THDA also offers second mortgages for down payment and closing costs assistance. Local lenders take the applications for approval and funding.

Tennessee Industrial Infrastructure Program (TIIP): These funds may be used for infrastructure improvements. Activities funded under the program are limited to those services normally provided by local governments and their implementing agencies to businesses that are locating, expanding, or operating in Tennessee. These activities include, but not are limited to, the following types of activities: water systems; wastewater systems; transportation systems; and site improvements.

The Tennessee Technology Access Project (TTAP): This provides Tennessee residents who have disabilities with comprehensive information related to assistive technology including: Resources for Assistive Technology Devices and Services; Information About the Funding of Devices and Services; Resources for Advocacy Services; Statewide Systems Change Initiatives/Activities; and Assistive Technology Centers. TTAP also provides funding to four regional assistive technologies Jackson, Knoxville, Chattanooga and Nashville, which provide training, evaluation, and minority outreach and advocacy services.

Local Public Resources

Local funds are also available to address the Consolidated Plan's priority needs.

Knox County Community Grants: These funds support organizations that provide housing and/or supportive services to low-income families and persons. Knox County provides approximately \$4,000,000 annually to local community service agencies from general fund resources. Several organizations receive these funds:

- Alzheimer's Association
- Big Brothers/Big Sisters of Tennessee Valley, Inc.
- Boys and Girls Clubs of Tennessee Valley
- Centro Hispano de East Tennessee
- Cerebra/Palsy Center for Handicapper Adults, Inc.
- Child and Family Tennessee
- Columbus Home
- Disability Resource Center.
- Helen Ross McNabb Center.



Helping Hands Home Assistance, Inc. (HHHA)
John T. O'Connor Senior Center.
Knox Area Rescue Ministries
Knoxville Area Urban League
Lisa Ross Birth & Women's Center, Inc.
Literacy Imperative, Inc.
Lost Sheep Ministries
Love Kitchen
Parkridge Harbor
Second Harvest Food Bank
Senior Citizens Home Assistance Service (SCHAS)
Sertoma Center
Tennessee Conference Community Development (TCCD)
United Way Greater Knoxville – Youth Action Council
Volunteer Ministry Center
YWCA – Charles Warner Cansler Family Branch
YWCA – Knoxville
YWCA – Phyllis Wheatley Center

County-Owned Property: Knox County owns surplus property that has the potential for residential reuse. These properties are potentially available to nonprofit organizations interested in building homes for low-income households or to eligible low-income persons interested in building homes.

Private Resources

Funds from private sources are also available to address the Consolidated Plan's priority needs from partners such as private lenders, nonprofit organizations, and citizens.

Federal Home Loan Bank Affordable Housing Program (AHP): The Affordable Housing Program is designed to finance housing for low and moderate-income families. The Federal Home Loan Bank System makes the funds available by setting aside a percentage of net earnings as subsidy. Federal Home Loan Banks are sources of wholesale credit and lend only to financial institutions that are member stockholders of the Federal Home Loan Bank. Nonprofits, local governments, community development corporations, individuals, and others seeking the funding should establish a relationship with a member institution. Housing developers can use the funds in a variety of ways to fund new construction, purchase and/or rehabilitation of owner-occupied and rental housing for very low, low and moderate-income households. Funds are available to member institutions as below market rate loans or direct loans. Generally, recipients are required to match direct grants with an equal contribution of funds from other sources. Application deadlines are April and October each year.

KHP First Mortgage Program: Knox Housing Partnership (KHP), through Neighborhood Housing Services of America (NHTSA) secondary market is offering a first homebuyer mortgage product called "My Community Loan." NeighborhoodWorks Network provides this first mortgage package using a



market interest rate and flexible underwriting guidelines. Homebuyer training and education is a prerequisite to applying for a mortgage loan.

Community Reinvestment Act Programs: Special programs promoted by local financial institutions designed to assist low and moderate-income buyers and/or target low and moderate-income neighborhoods.

United Way: The United Way provides funding to local social service organizations, many of which are involved in housing or supportive services.

Private Contributions: Many nonprofit organizations rely heavily on private contributions. In addition to cash, contributions may include donated labor and materials. Habitat for Humanity is one nonprofit organization that receives sponsorships that include donated labor and materials

Table 3A beginning on page 18 summarizes the County's proposed actions and projects in terms of its available funding for the 5-year strategies and objectives, the national goals for the Consolidated Plan, KCCD's mission and the goals for the community. KCCD will update this table in each year's CAPER to reflect accomplishments and allow citizens and community organizations to track KCCD's performance.



TABLE 3A
SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

OBJ #.	OUTCOME/ OBJECTIVE SPECIFIC ANNUAL OBJECTIVE	PERFORMANCE INDICATORS	SOURCES OF FUNDS	Proposed/Actual Accomplishments by Program Year	
SL-1 Suitable Living Environment – Availability/Accessibility					
SL-1.1	Address the need for sustainable living environment by providing acquisition of a women's medical facility to increase services available to low and moderate income persons	Number of persons assisted with new access to this service. Number of persons with improved access to this service.	CDBG - \$150,000	Proposed 2005: N/A 2006: N/A 2007: 2008: 2009: Total: People	Actual 2005: N/A 2006: N/A 2007: 2008: 2009: Total:
SL 1.1	Address the need for sustainable living environment by providing a comprehensive account of services available to homeless persons.	Number of persons assisted with new access to this service. Number of persons with improved access to this service.	CDBG - \$10,000	Proposed 2005: N/A 2006: 100 Persons 2007: 500 Persons 2008: 2009:	Actual
SL -2	Suitable Living Environment Affordability				
SL - 2.2	Address the need for improving the quality of, or access to, services and the community by providing counseling and treatment services to homeless and low and moderate-income persons	Number of persons assisted with new access to this service; Number of persons with improved access to this service; Number of persons that now receive a service or benefit that is no longer substandard;	CDBG - \$37,000	Proposed 2005: 110 People 2006: 100 People 2007: 85 People 2008: 2009: Total: 295 People	Actual 2005: 107 People 2006: N/A 2007: N/A 2008: 2009: Total: 108 People



OBJ #.	OUTCOME/ OBJECTIVE SPECIFIC ANNUAL OBJECTIVE	PERFORMANCE INDICATORS	SOURCES OF FUNDS	Proposed/Actual Accomplishments by Program Year	
SL-2 Suitable Living Environment – Affordability					
SL – 2.2	Address the need for improving the quality of, or access to, by providing counseling services to homeless and low and moderate-income persons	Number of persons assisted with new access to this service; Number of persons with improved access to this service; Number of persons that now receive a service or benefit that is no longer substandard;	CDBG- \$35,000	Proposed 2005: N/A 2006: N/A 2007: 175 People 2008: 2009: Total: 175 People	Actual 2005: N/A 2006: N/A 2007: 2008: 2009: Total:
SL – 2.2	Address the need for improving the quality of, or access to, services and the community by offering medical treatment for the working uninsured	Number of persons assisted with new access to this service; Number of persons with improved access to this service; Number of persons that now receive a service or benefit that is no longer substandard;	CDBG - \$40,000	Proposed 2005: 264 People 2006: 275 People 2007: 300 People 2008: 2009: Total: 839 People	Actual 2005: 406 People 2006: N/A 2007: N/A 2008: 2009: Total: 406 People
SL – 2.2	Address the need for improving the quality of, or access to, by providing medical and dental services to the homeless population	Number of persons assisted with new access to this service; Number of persons with improved access to this service; Number of persons that now receive a service or benefit that is no longer substandard;	CDBG - \$25,000	Proposed 2005: 800 2006: N/A 2007: 600 2008: 2009: Total: 1400	Actual 2005: 871 2006: N/A 2007: 2008: 2009: Total:



OBJ #.	OUTCOME/ OBJECTIVE	PERFORMANCE INDICATORS	SOURCES OF FUNDS	Proposed/Actual Accomplishments by Program Year	
	SPECIFIC ANNUAL OBJECTIVE				
DH- 2	Decent Housing -Availability				
DH-2.1	Address the need for improving the quality of, or access to, decent housing by offering water/sewer assistance to low and moderate income persons at Stock Creek	Number of units occupied by very low- income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	CDBG - \$175,000	Proposed 2005: N/A 2006: N/A 2007: 2008: 2009: Total: Households	Actual 2005: 2006: 2007: 2008: 2009: Total: Households
DH 2.1	Housing counseling service to increase the accessibility to housing	Number of units occupied by very low-income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	CDBG - \$10,000	Proposed 2005: N/A 2006: N/A 2007: 2008: 2009: Total: People	Actual 2005: 2006: 2007: 2008: 2009: Total: People
DH 2.1	Address the need for improving the quality of, or access to, decent housing by providing a security system in housing available to low and moderate income persons	Number of units occupied by very low-income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	CDBG - \$7,000	Proposed 2005: N/A 2006: N/A 2007: 10 Units 2008: 2009: Total:	Actual 2005: N/A 2006: N/A 2007: 2008: 2009: Total:



TABLE 3A
SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

OBJ #.	OUTCOME/ OBJECTIVE SPECIFIC ANNUAL OBJECTIVE	PERFORMANCE INDICATORS	SOURCES OF FUNDS	Proposed/Actual Accomplishments by Program Year	
DH-2 Decent Housing - Affordability					
DH-2.2	Address the need for affordable decent housing by offering rehabilitation assistance to low and moderate-income persons.	Number of units occupied by very low-income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	HOME - \$299,886	Proposed 2005: 6 Units 2006: 10 Units 2007: 5 Units 2008: 2009: Total: 21 Units	Actual 2005: 0 Units 2006: 2 Units 2007: 2008: 2009: Total:
DH-2.2	Address the need for affordable decent housing by offering water/sewer assistance to low and moderate income persons	Number of units occupied by very low- income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	CDBG - \$62,095	Proposed 2005: 6 Units 2007: 10 Units 2007: 8 Units 2008: 2009: Total: 24 Units	Actual 2005: 2006: N/A 2007: 2008: 2009: Total:
DH-2.2	Address the need for affordable decent housing by offering emergency home repairs for the elderly, disabled and female-headed households with lower incomes.	Number of units occupied by very low- income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	CDBG - \$250,000	Proposed 2005: 75 Units 2006: 80 Units 2007: 100 Units 2008: 2009: Total: 255 Units	Actual 2005: 98 Units 2006: N/A 2007: 2008: 2009: Total:



**TABLE 3A
SUMMARY OF SPECIFIC ANNUAL OBJECTIVES**

OBJ #.	OUTCOME/ OBJECTIVE SPECIFIC ANNUAL OBJECTIVE	PERFORMANCE INDICATORS	SOURCES OF FUNDS	Proposed/Actual Accomplishments by Program Year	
DH-2 Decent Housing - Affordability					
DH-2.2	Address the need for affordable decent housing by funding providing acquisition/construction of a home for a low or moderate-income homebuyer	Number of units occupied by very low-income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	HOME CHDO - \$63,000 CHDO OPERATING – 15,000	Proposed 2005: N/A 2006: N/A 2007: 1 Unit 2008: 2009: Total: 1 Unit	Actual 2005: N/A 2006: N/A 2007: 2008: 2009: Total:
DH-2.2	Address the need for affordable decent housing by offering closing costs and/or downpayment assistance to low and moderate-income persons	Number of units occupied by very low- income elderly. Number brought to standard. Number qualified as Energy Star Number of units made accessible	HOME ADDI - \$8,357	Proposed 2005: 3 Units 2006: 2 Units 2007: 2 Units 2008: 2009: Total: 7 Units	Actual 2005: 3 Units 2006: 2007: 2008: 2009: Total:

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:

As the entitlement grantee, Knox County delegated the responsibility for preparation of the Consolidated Plan and implementation of the CDBG and HOME programs to Knox County Community Development (KCCD). KCCD contracts with a myriad of community organizations to carry out certain components of the Action Plan, including, but not limited to:

InterFaith Health Clinic
Knox Housing Partnership
Knoxville/Knox County Community Action Committee
Parkridge Harbor
Public Defenders Office
Tennessee Conference Community Development
Volunteer Ministry Center

The Plan Development Process

The *2007 Annual Action Plan* format helps to facilitate implementation of the County's 5-year Consolidated Plan strategies. This format helps KCCD, its partners, and Knox County citizens track performance more effectively. The Plan encompasses an application process whereby organizations such as non-profit service agencies and for-profit businesses have the opportunity to submit proposals to fund projects that meet the strategies and priorities outlined in the Consolidated Plan and, the Mayor's four goals for the community. All the while keeping in mind that the primary objective of the CDBG and HOME programs is to provide decent housing and a suitable living environment with expanding economic opportunities principally for low and moderate-income persons.

The initial step of the Plan's development process begins each January with the application for funding. The notice of availability is sent to current and previous subrecipients and the application is posted on-line via the County's Community Development website. KCCD held an application technical assistance workshop on Wednesday, January 31, 2007. Many organizations and individuals attended for information about funding possibilities. This is especially true for non-profits interested in Public Service activities as the 15 percent cap limits the amount KCCD is able to allocate to approximately \$150,000. The application deadline was Monday, February 12th.

Citizen participation is the next component of the Annual Action Plan and is instrumental in designing programs that will best meet the needs of the low and

moderate-income population. This step of the process consists of a public notice and public hearings to garner community and organizational input for PY 2007/08 projects and activities. Their input helps to ensure that Federal funds are appropriately allocated. Throughout this process, the staff of KCCD provides technical assistance.

The public comment period began Monday, April 9, 2007 and ended Tuesday, May 8, 2007. The Draft Annual Action Plan is available for citizen review. Comments received during this 30-day period have been reviewed and included in the Citizen Participation Process Selection below.

Knox County Community Development held the first public hearing at the Burlington Branch Library on Tuesday, April 10th and the second during the April Commission meeting on Monday, April 23, 2007. Sign-in sheets from the April 10th public hearing are included in the appendices to this Plan.

The Final Annual Action Plan is available to the public when it is submitted to HUD on or about May 17, 2007.

Guiding Principles and Objectives

The 2007 Action Plan is based on the housing and community development goals set forth in the Strategic Plan section of the five-year plan:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.
2. Expand sustainable homeownership opportunities for low and moderate-income families.
3. Reduce chronic and family homelessness by providing a viable continuum of care.
4. Ensure full and fair access to housing for all residents.
5. Remove barriers to affordable housing production.
6. Enhance the capacity of community based organizations and local government.
7. Enhance the prosperity and economic well being of Knox County, ensuring the economic growth is compatible with community development.

Enhance Coordination between Public and Private Housing and Social Service Agencies

Public and assisted housing providers, private and governmental health, mental health and service agencies are participants that KCCD worked to develop the Annual Action Plan and they are expected to continue active participation in the upcoming years. The County is an active member of the Continuum of Care organization with a KCCD staff person assigned. In addition, the Mayor is a member of the Ten Year Plan Task Force that is headed by Dr. Roger Nooe. In the Consolidated Plan's strategic plan, KCCD examined gaps in the institutional structure and developed actions specifically to enhance communication and coordination. The following actions between public and private housing and social service agencies:

- Establish regular meetings with the City of Knoxville Community Development Department to guard against duplication of services as well as maximizing benefits to low to moderate-income persons.
- Continue participation in the Knoxville Coalition for the Homeless.
- Continue participation on the ECHO board.

Activities that KCCD will take during the coming program year to:

1. Develop and maintain safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.

- Preserve the physical and financial viability of existing affordable housing;
- Evaluate and reduce lead-based paint hazards. Provide every homeowner or potential homeowner with information pamphlets on the dangers of lead-based paint;
- Provide technical assistance to build and expand the capacity of non-profit developers and Community Housing Development Organizations (CHDO's) to increase and expand affordable housing options.

2. Expand suitable homeownership opportunities for low and moderate-income families.

- Provide ADDI funds for downpayment and closing costs assistance;
- Increase the supply of affordable housing for low and moderate-income families;
- Provide technical assistance to build and expand the capacity of non-profit developers and Community Housing Development Organizations (CHDO's) to increase and expand affordable housing options;
- Assist existing low and moderate-income homeowners to make code related home repairs.

2. Reduce chronic and family homelessness by providing a viable continuum of care with a ten-year plan.

- Continue to provide emergency shelters and transitional housing for the homeless;
- Prevent low-income individuals and families from becoming homeless;
- Develop housing options and help homeless persons make the transition to permanent housing and independent living;
- Provide a range of housing options and services for persons with special needs and physical disabilities who are not homeless;
- Improve access/coordination across mainstream services and benefit sources;
- Preserve existing affordable housing (both publicly assisted and private);
- Increase the supply of housing.

3. Enhance the prosperity and economic competitiveness of Knox County, ensuring that economic growth is compatible with community and environment.

- Assist the community with public facilities and infrastructure improvement;
- Assist low and moderate-income individuals and the community through institutional development.
- Ensure full and fair access to housing for all residents.
- Support public and private housing and community development opportunities that promote equality for all residents of Knox County;
- Increase diversity and bridge differences among residents regardless of race disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences;
- Direct resources to promote the goals of fair housing and educate housing partners of their responsibilities under the law;
- Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of Knox County;
- Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing;
- Provide and support rehabilitation of existing affordable housing;
- Direct resources only to projects that adhere to the intent and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws.

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:

The citizen participation program is instrumental in obtaining input from the community and organizations in designing programs that will best meet the needs of the low and moderate-income population. The goals of KCCD's Citizen Participation process, as it relates to CDBG and the HOME Program are:

- To increase the involvement of low income persons, residents of public housing, minority populations, and persons with special needs;
- To clarify roles and responsibilities enabling a variety of organizations to participate cooperatively in meeting the goals and objectives identified by the community; and
- To ensure that all citizens and organizations have an opportunity to participate in the evaluation of funded activities on a regular basis.

Under the regulations of the CDBG program no more than 15 percent of the available funds may be spent on Public Service activities. In developing its Annual Plan, the County held a technical assistance workshop to address the availability of funds and invite interested and qualified non-profit organizations to submit proposals for funding. KCCD staff review the applications and make recommendations to the County Mayor. A notice is published in the newspaper informing citizens of the Annual Plan, and where comments may be made. Knox County also conducts two public hearings, one with the Knox County Commission and the second at a locally convenient site. Thus, citizens are provided three opportunities to comment on the Plan prior to submittal to HUD.

The recommendations for the Third Year CDBG/HOME Budget were made available to the public at a public hearing held on April 10, 2007.

Institutional Structure

Describe actions that will take place during the next year to develop institutional structure.

Program Year 3 Action Plan Institutional Structure response:

The 5-year Consolidated Plan examined the effectiveness of the County's housing and community development system. It also analyzed gaps in the delivery system and possible strategies to enhance collaboration. In the strategic plan, KCCD adopted a 5-year strategy to address gaps in the institutional structure and foster collaboration. As lead agency for Knox County's Consolidated Plan, KCCD's focus on the institutional structure is a broad strategy of coordination, empowerment, and communication with the public, private, and nonprofit sectors. It is taking a leadership role in this area by concentrating on these three fields:

- Vision.
- Communication and coordination.
- Education and outreach.

For the 2007 program year, KCCD plans to carry out the following actions:

1. Establish strategic objectives that provide a guide to KCCD's performance. Such objectives will allow the KCCD's housing and community development partners to better understand the department's mission and provide context to KCCD's clients and grantees.
2. Establish specific performance measures that will allow KCCD to better guide resource allocations for CDBG and HOME funds. Such performance measures will allow the department to more effectively target gaps and priority needs.
3. Support the continued establishment of an umbrella coordinating entity for the County's housing and community development delivery system. Representatives from the public, nonprofit, and private sectors could meet to discuss and carry out strategies regarding issues such as coordination of resources, fair housing, barriers to affordable housing, strategies and actions for the Consolidated Plan, Community Development Week, and other items. This coordinating entity, convened and administratively supported by KCCD, would work on issues of concern to a majority of its members as well as issues assigned by KCCD.
4. Partner with Knox County's Office of Neighborhoods by attending "*Neighborhood Nights*" with the County Mayor to address concerns of Knox County's residents as well as gather information regarding each community's needs.
5. Continue participation in the Knoxville Coalition for the Homeless.
6. As staffing and funding allow, continue to organize Community Development Week as an outreach and education opportunity.
7. Provide other information pieces and outreach to the press concerning housing and community development issues.
8. Research and explore the possibility of establishing one or two Neighborhood Revitalization Areas in the unincorporated sections of Knox County.
9. As staffing and funding allow, work with other organizations to provide educational seminars on issues such as lead-based paint, fair housing, homeownership, and accessing affordable housing.

10. As staffing and funding allow, expand KCCD's web presence into the County's Internet "gateway" to housing and community development. Such a web presence would keep County residents and organizations informed of the department's programs and other housing and community development organizations and issues.

Monitoring

Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 3 Action Plan Monitoring response:

KCCD is responsible for the oversight of all designated subrecipients of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds and will:

- Execute written agreements containing all required elements before providing funds to subrecipients;
- Periodically review subrecipients in order to determine that program requirements are being met; and
- Take effective corrective and remedial actions toward subrecipients who do not comply.

Within each agreement are specific program goals and tracking indicators that correspond with the HUD established Performance Measurement System. There are at least two channels for subrecipient monitoring: 1) KCCD requires monthly reporting and invoicing from all subrecipients providing public service and some housing activities and 2) on-site monitoring visits. For reporting, information is gathered on race, ethnicity, income levels, female headed and elderly households, and expenditures. Payment is made upon receipt of the reports showing costs incurred, activities conducted, accomplishments achieved and the statistical information. KCCD staff has developed a subrecipient manual and forms that are used for reporting, time sheets, and public service income reporting.

On-site monitoring takes place at least annually, or more frequently if it is a new subrecipient or there are concerns or findings in a previous monitoring. On-site monitoring provides an opportunity for KCCD staff to ensure that subrecipients are in compliance with Federal regulations and are actively working to achieve the objectives outlined in their grant agreement and the Annual Action Plan. Site visits also allow KCCD to provide technical assistance and receive feedback about program administration.

The following objectives provide a more detailed explanation of the desired monitoring goals:

- To determine if a subrecipient is carrying out its community development program, and its individual activities, as described in the application for CDBG assistance and the subrecipient's Agreement.
- To determine if the subrecipient is carrying out its activities in a timely manner, in accordance with the schedule included in the Agreement.

- To determine if a subrecipient is charging costs to the project that are eligible under applicable laws and the CDBG regulations, and reasonable in accordance with the service or products delivered.
- To determine if a subrecipient is carrying out its activities with adequate control over program, and financial performance, and in a way that minimizes opportunities for waste, mismanagement, fraud and abuse.
- To assess if the subrecipient has continuing capacity to carry out the approved project.
- To identify potential problem areas and to assist the subrecipient in complying with applicable laws and regulations.
- To assist subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.
- To provide adequate follow-up measures to ensure that subrecipients correct performance and compliance deficiencies and that not repeated.
- To comply with the Federal monitoring requirements of 24 CFR 570.501 (b) and 24 CFR 570.611.
- To determine if any conflicts of interest exist in the operation of CDBG program, per 24 CFR 570.611.
- To ensure that required records are maintained in compliance with applicable regulations.

Subrecipients are also responsible for providing KCCD with a timely annual report that is used in preparing the Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. This report is a compilation of statistical information and evaluation of the subrecipient's performance over the course of the year.

Affirmative Marketing

For all HOME-assisted housing with 5 or more units, Knox County will follow policies and procedures as outlined below:

1. Knox County Department of Community Development will inform the public, owners, and potential tenants about Federal Fair Housing Laws through the County's Fair Housing Program. Information and education, including remedies, will be provided as to Fair Housing Rights and all applicable laws.
2. The Equal Housing Opportunity Logo, slogan, or statement will be used on all informational materials, media announcements, Request for Proposals and applications.
3. Owners of rental units containing five or more units will require the Equal Housing Opportunity Logo in advertising.
4. Owners will be required to maintain data on: racial, ethnic and gender characteristics of tenants including how potential applicants heard about the housing opportunities.

5. The County will maintain records on: racial, ethnic and gender characteristics of owners of projects rehabilitated with HOME funds.
6. If applicable, the County will maintain information pertaining to the race and ethnicity of households displaced as a result of program activities.
7. The County will maintain copies of ads or meeting notices placed in The Knoxville News-Sentinel and community papers.

Minority and Women-Owned Business

There are several practices and procedures in place to encourage the participation of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in County contracts and construction projects. KCCD's policy is to afford minorities, women, and small businesses equal opportunity in all procurement and contracting programs. KCCD maintains a bid list of state licensed contractors, which includes minority and women-owned businesses (M/WBE). County Purchasing and local agencies such as the State of Tennessee Office of Minority Business Enterprise and the Knoxville Area Urban League have been informed of KCCD's programs and encouraged to refer potential contractors to the County's Rehabilitation Program. Contractors are informed of KCCD's policy and asked to utilize M/WBE for all subcontractors. From time to time, Knox County advertises in *The Knoxville News-Sentinel* regarding contractor opportunities and the assurance of equal opportunity for M/WBEs. The Department of Community Development participates annually in the County Purchasing Department's M/WBE Fair.

Lead-based Paint

Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Program Year 3 Action Plan Lead-based Paint response:

KCCD will continue to collaborate with the City of Knoxville to reduce lead-based paint hazards, especially for low-income families and children. At a minimum the County will continue to educate our residents on the hazards of lead-based paint and utilize lead-safe work practices in the provision of its housing improvement program. The department has developed measurable actions for this strategy that it will undertake each year. Its actions for the 2007 program year are as follows:

1. Work with the Environmental Protection Agency to comply with the Lead-Based Paint Poisoning Prevention Act of 1998.
2. Continue coordinating with the City of Knoxville and Tennessee Department of Environment and Conservation (TDEC) to offer training for contractors and workers.
3. Integrate lead hazard evaluation and reduction activities into existing programs.
4. Administer the Tennessee Department of Health's questionnaire to parents concerning their children for any clients that will be living in pre-1978 housing.
5. Promote lead-based paint information provided by the Tennessee Department of Health by providing a link on the KCCD Website.
6. Send lead-based paint guidelines to all of KCCD's grantees and the housing specialist working with its programs.
7. Distribute brochures concerning lead-based paint hazards to landlords when rental inspections are conducted. Distribute these brochures to all housing clients.
8. Provide information on lead-based paint hazards to public and private organizations, cable television, and radio.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 3 Action Plan Specific Objectives response:

Knox County is committed to the on-going goals of providing decent, safe, affordable housing and improving the quality of life for all residents. The County's top priority for the use of CDBG, HOME and ADDI funds is to support the production and preservation of affordable housing. The actual allocation of these funds reflects this priority. For purposes of the Consolidated Plan, "affordable housing" generally means housing, which is affordable at 30 percent of household income to households that meet the CDBG and HOME program guidelines for moderate-income households.

As shown earlier in the Project Summary Table, KCCD will fund several projects during the next year that foster and maintain affordable housing:

- **Provide \$63,725 and \$20,000 in HOME/CHDO** funding to a non-profit organization designated as a Community Housing Development Organization (CHDO) to undertake an eligible HOME activity.
- **Provide \$299,886 in HOME** funds for continued support of Knox County's Affordable Housing Reconstruction Assistance Program.
- **Provide \$250,000 in CDBG** funds to help the Knoxville/Knox County Community Action Committee provide home repair assistance to elderly, disabled or female-headed households with lower incomes in Knox County.
- **Provide \$8,357 in ADDI** funds for a downpayment assistance program for first-time low-income homebuyers. Knox County will partner with local nonprofit(s) and public housing authorities to provide the required homebuyer education as well as conduct targeted outreach to residents of public housing. Knox County estimates that at least one of the two households assisted with ADDI funds will be minority and/or female-headed household.
- **Provide \$62,095 in CDBG** funds for continued support of Knox County's Affordable Water/Sewer Connection Program.
- **Provide \$200,000 in CDBG** funds for sewer line extension in the Stock Creek community.

In addition to these accomplishments, the County will work in conjunction with

- Knox County Housing Authority for the completion of 32 units of affordable senior housing;
- Senior Citizens Home Assistance Service (SCHAS) for the completion of 48 units of assisted living rental housing; and
- Child and Family Tennessee for the completion of rehab of 8 units of housing for mentally ill women and their children.

Needs of Public Housing

Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 3 Action Plan Public Housing Strategy response:

As required by the Quality Housing and Work Responsibility Act of 1998, KCCD is coordinating the *Knox County Housing and Community Development Consolidated Plan* and the *2007 Action Plan* with the Knox County Housing Authority (KCHA). Development of the Consolidated Plan included consultation with KCHA staff and residents.

Knox County will continue working with KCHA to help them achieve the goals and objectives in its strategic plan, which are consistent with the goals and objectives of Knox County's Consolidated Plan.

In addition to KCHA, the Tennessee Housing Development Authority and the Knoxville Community Development Corporation also administer subsidized units in Knox County. KCCD consults with these organizations as part of its Consolidated Planning process.

KCHA is not considered by HUD to be a "troubled authority" nor is it performing poorly. Continued effective management and community involvement is anticipated to maintain their high level of performance.

Barriers to Affordable Housing

Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 3 Action Plan Barriers to Affordable Housing response:

Two of the most prevalent barriers to the production of affordable housing are the private market conditions that emphasize the production of high cost housing and the lack of adequate subsidies for low-income renters in a high cost market. These same market conditions can be a barrier to preservation of existing affordable unsubsidized units by making conversion to upscale rentals or demolition and construction of more expensive units a more attractive alternative, especially when only limited incentives, such as tax relief or below market loans, are available to the property owner.

KCCD's subsidy of affordable housing opportunities and rental units helps overcome these barriers. In addition, Knox Housing Partnership homebuyer education program utilizes CDBG to pay for counseling services and works with local lending institutions to provide funding for the mortgage financing of the homes.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are

used to provide down payment assistance for such residents, tenants, and families.

- c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 3 Action Plan HOME/ADDI response:

Knox County does not intend to invest HOME funds using forms of investment other than those described in 24 CFR 92.205(b) during the 2007/08 Program Year.

Knox County is a Participating Jurisdiction for HUD's HOME Investment Partnerships program (HOME). It receives HOME entitlement funds annually that it can use to promote affordable housing in the County through activities such as homeowner rehabilitation, homebuyer activities, rental housing development, and tenant-based rental assistance (TBRA).

Knox County Department of Community Development (KCCD), as lead agency for the Consolidated Plan, will receive \$409,873 in Federal HOME funds. These funds are available July 1, 2007. Additionally KCCD, as an eligible HOME PJ, will receive \$8,357 in ADDI funds. These funds are also available July 1, 2007.

During the next fiscal year, the County will:

- Invest over \$298,000 of its HOME allocation in its Housing Reconstruction Assistance Program.
- Provide CHDO dollars in the amount of \$63,725 and \$20,000 in operational costs for the purchase or construction of a home for a first-time homebuyer. Homeownership training will be a requirement for the buyer.

KCCD will utilize the \$8,357 in ADDI funds to assist two first-time homebuyers within the County. Approved applicants will possess a homeownership training certification through an approved non-profit and pre-approval from a bank or mortgage company. KCCD's assistance will be for normal and customary closing costs, up to \$5,000, but no less than \$1,000.

Section 92.254(a)(5) of HUD Section 24 allows the participating jurisdiction to impose either resale or recapture requirements on properties sold or refinanced that have been assisted with HOME funds. HOME funds awarded to first-time homebuyers are a loan until the affordability period is met. KCCD prefers to use the recapture method, but may opt for the resale method, depending on the situation. The following applies to the recapture requirements in compliance with the standards of 92.254(a)(5). This provision will be imposed through a note and mortgage deed (second) restriction on the HOME assisted property between the homeowner and Knox County. The recaptured funds may be used for HOME eligible activities.

KCCD will recoup a portion of its HOME assistance to the first-time homebuyer if the house does not continue to be the principal residence of the family for the duration of the affordability period.

- The homebuyer may sell the property to any willing homebuyer.

- The amount of HOME investment to be recaptured will be reduced on a prorate basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
- If the net proceeds are not sufficient to recapture the balance owed on the HOME investment as mentioned in the above bullet plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since the purchase, Knox County and the owner will share the net proceeds.
- The net proceeds are the sales price minus loan repayment (non HOME funds) and closing costs. The net proceeds will be divided proportionally according to the formulas below:

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Homeowner Amount}$$

Match

HOME regulations require that the Participating Jurisdiction must match every dollar of HOME funds with at least 25 cents of non-Federal funds provided. Subrecipients and Community Housing Development Organizations (CHDO's) provide match from Federal Home Loan Bank funds, volunteer labor and other non-federal sources. The match funds continue to accumulate and can be used to provide additional dollars for any project that does not have the required 25 percent. ADDI regulations state that the above matching requirements do not apply to Knox County's ADDI allocation

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 3 Action Plan Special Needs response:

During the 2007/08 Program Year, Knox County plans to spend \$107,000 in CDBG funds for the homeless. Specific projects are listed below and are to prevent homelessness and assist individuals and families regain self-sufficiency. Knox County's primary objective with regard to homeless and special needs populations continues to be ensuring that a network of services leading to greater self-sufficiency and a continuum of housing opportunities is in place for those presently homeless or at risk of becoming homeless.

- Continue to provide emergency shelters and transitional housing for the homeless;
- Prevent low-income individuals and families from becoming homeless;
- Develop housing options and help homeless persons make the transition to permanent housing and independent living;

- Provide a range of housing options and services for persons with special needs and physical disabilities who are not homeless;
- Improve access/coordination across mainstream services and benefit sources;
- Preserve existing affordable housing (both publicly assisted and private);
- Increase the supply of housing.

Ten-Year Plan:

Homelessness is a major challenge for Knoxville and Knox County. In 2005 Mayors Bill Haslam and Mike Ragsdale convened a task force to develop a ten-year plan to end chronic homelessness. While there are no simple solutions, the complexity of homelessness underscores the need for all sectors-social and health services, government, business providers and consumers, neighborhoods, and churches-to work together toward solutions. The ten-year plan offers a framework for ending the institution of homelessness. It is the beginning of a long-term process. The plan offers a long-range comprehensive approach to help homeless persons gain stability in permanent housing. The Knoxville and Knox County ten-year plan supports state, regional, and Federal efforts.

Knox County includes the gaps analysis table in its Consolidated Plan and priority needs analysis, which strengthens the linkage to the broader human service, housing and community development planning processes. Identifying gaps and priorities is an integral part of the Continuum of Care development process. The Coalition will continue its point-in-time surveys to obtain accurate unduplicated counts of the number of homeless people in the County as of a given date. It will continue to enhance planning and service delivery by continuing the biannual studies and analyze the characteristics and service needs of homeless persons.

Knox County's Continuum of Care system provides all of the fundamental components of prevention, outreach, intake and assessment, transitional housing with necessary support and rehabilitative services, and permanent housing or permanent supportive housing. The following are strategies that offer a different approach to the problem of chronic homelessness.

- 1. Move People into Housing First:** The most critical issue facing homeless people – the lack of permanent housing – must be the first and most important issue to be addressed. The housing first approach combines affordable, permanent housing with the support services necessary to increase self-sufficiency to remain in permanent housing.
- 2. Stop Discharging to the Streets:** Institutions such as mental health hospitals and jails usually lack referral services with access to permanent supportive housing. The result is that far too many individuals are discharged directly to emergency shelters or the streets. This pattern is also evidenced in the foster care system as young people are discharged at age 18 and experience a high risk of becoming homeless.
- 3. Increase coordination and effectiveness of Service:** The existing service delivery system has been criticized as being ineffective, fragmented, and too frequently duplicating services. The task force reviewed the current system and

concluded that service coordination and effectiveness of services can be increased through (1) coordinated case management, (2) outreach and engagement, (3) single point of entry into the service system, and (4) designated agency function-coordination and specialization of the major shelters and services.

4. **Increase Economic Opportunities:** Lack of employment, income, and economic opportunity are often identified as major causes of homelessness. Although many homeless individuals report being employed or having occasional work, many of the jobs they hold are of such a nature and skill level that they do not provide adequate wages and benefits for self-sufficiency. As part of the effort to solve chronic homeless, it is crucial to maximize income and achieve economic stability.
5. **Implement New Data Collection Methods:** Through the implementation of a Homeless Management Information System (HMIS), more reliable, comprehensive information about homelessness in our community can be found. The HMIS is a centralized internet-based system that provides a database of homeless information. Shelters, housing providers, service agencies, and others who work with the homeless can share client information, within the strictest bounds of individual privacy and confidentiality. It provides for the collection of accurate and timely data on numbers of homeless persons in the community, patterns of homelessness, and other demographic characteristics. Additionally, HMIS will provide information on effective service delivery, as well as provide data to guide agency and community planning for improved and targeted services delivery.
6. **Develop Permanent Solutions:** The task force has identified a number of key elements, along with housing first, that will more permanently and cost-effectively address chronic homelessness. These include the establishment of a detoxification facility, and broad implementation of the HMIS system.
7. **Strengthen Partnerships with Faith-Based Organizations:** This plan recognized the importance of partnerships with faith-based organizations, and the Task Force considers these organizations to be one of the critical components in the plan to develop permanent solutions to homelessness. Central to all the recommendations is coordination throughout the community to focus efforts efficiently and effectively.
8. **Recognize Homelessness as a Community Challenge:** Ending chronic homelessness is a challenge for the entire community. It will require cooperative effort by government agencies, private and public services, businesses, faith-based organizations, and neighborhoods. This plan calls for a coordinated effort to inform and communicate with the broader community about homelessness.
9. **Prevent Homelessness:** The Federal Interagency Council on Homelessness speaks of prevention as “closing the front door” to homelessness. Homeless prevention is any action that prevents an individual or family from losing their housing. Providing services and assistance that contribute to housing stability, such as assistance with rent or utility bills, can be preventative. Additionally, case management and preventive protocols for individuals being discharged from hospitals, state institutions, and foster care should be implemented to break the cycle of homelessness before it starts. Regardless of the level of prevention,

identifying persons at risk, early intervention, or breaking the cycle of chronic homelessness, it is critical to utilize strategies that have been demonstrated to be effective.

Helping the Homeless

During the coming program year, KCCD will continue to help the Knoxville Coalition for the Homeless employ a Continuum of Care approach to reduce the frequency and duration of homelessness. It will carry out this strategy by funding projects and engaging in other actions to help homeless people.

Project Funding: As shown in the Summary Table, KCCD will fund the following projects to help the homeless in the current program year:

- **\$10,000 in CDBG** funding to the University of Tennessee’s Homeless Management Information System (HMIS). This program improves service delivery to homeless persons and serves as a tool for agencies assisting people to move out of homeless and into permanent housing. The Knoxville HMIS has as its mission three primary goals: (1) generating longitudinal data on homelessness; (2) providing a tool for improved service delivery and coordination among homeless service providers; and (3) using HMIS-generated data to inform policy decisions about homelessness.
- **\$25,000 in CDBG** funding to Volunteer Ministry Center for the Peoples’ Clinic that provides that provides basic health care for the indigent and homeless. The primary objective of this program is to provide a nurse-managed clinic that focuses on primary and preventative health care for the homeless and non-working poor in the neighborhood where they live.
- **\$37,000 in CDBG** funding to Parkridge Harbor for housing and case management services to persons suffering from a combination of mental illness, substance abuse, HIV/AIDS and other catastrophic illnesses and who are homeless or potentially homeless.
- **\$35,000 in CDBG** funding to the Public Defender’s Community Law Office to provide client case management that addresses the factors contributing to chronic cycling of homelessness, mental illness and incarceration. Clients will have access to mental health treatment and medication, substance abuse treatment, anger management and other coping skills, parenting skills, transportation, education, employment, housing, and other activities.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 3 Action Plan ESG response:

Knox County does not receive ESG funds.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.

Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 3 Action Plan Community Development response:

The following table identifies the non-housing Community Development Needs of Knox County that were outlined in the Consolidated Plan for 2005-2010. KCCD will make every effort to fund activities and projects that address High and Medium priority needs. Low priority projects will not be funded.

<i>Consolidated Plan Table 2B Community Development Needs</i>			
<i>PRIORITY COMMUNITY DEVELOPMENT NEEDS</i>	<i>Priority Need High, Medium, Low, No Such Need</i>	<i>Estimated Priority Units</i>	<i>Estimated Dollars to Address</i>
<u>Public Facility Needs</u>			
Neighborhood Facilities	H		1,000,000
Parks and/or Recreation Facilities	H		1,000,000
Health Facilities	H		1,000,000
Parking Facilities	L		0
Solid Waste Disposal Improvements	M		500,000
Asbestos Removal	L		0
Non-Residential Historic Preservation	L		0
Other Public Facility Needs	H		1,000,000

Jurisdiction

<u>Infrastructure</u>		
Water/Sewer Improvements	H	1,000,000
Street Improvements	L	0
Sidewalks	L	0
Sewer Improvements	H	750,000
Flood Drain Improvements	M	500,000
Other Infrastructure Needs	M	500,000
<u>Public Service Needs</u>		
Handicapped Services	H	250,000
Transportation Services	H	1,000,000
Substance Abuse Services	H	500,000
Employment Training	H	500,000
Health Services	H	1,000,000
Other Public Service Needs	H	1,000,000
<u>Anti-Crime Programs</u>		
Crime Awareness	H	100,000
Other Anti-Crime Programs	H	100,000
<u>Youth Programs</u>		
Youth Centers	H	1,000,000
Youth Services	H	1,000,000
Child Care Services	H	1,000,000
Other Youth Programs	H	1,000,000
<u>Senior Programs</u>		
Senior Centers	H	1,000,000
Senior Services	H	1,000,000
Other Senior Programs	H	1,000,000
<u>Economic Development</u>		
Rehab; Publicly- or Privately - Owned Commercial/Industrial	H	1,000,000
Commercial/Industrial Infrastructure Development	H	1,000,000
Other Commercial/Industrial Improvements	M	500,000
Micro-Enterprise Assistance	M	500,000
ED Technical Assistance	H	250,000
Other Economic Development	H	500,000
<u>Planning</u>		
Planning	H	250,000
Total Estimated Dollars Needed:		\$23,600,000

Given that the category of “non-housing community development needs” is a broad one; KCCD developed long term strategies for economic development and community revitalization.

Priority Community Development Strategy #1:

Enhance job training and employment opportunities for low-to-moderate-income persons.

Priority Community Development Strategy #2

Promote livable communities and community redevelopment.

To carry out these strategies, KCCD has developed objectives and measurable actions that it will undertake each year. The following table identifies the proposed 2007/08 Program Year activities. All of the projects supported with CDBG funds will meet statutory goals of providing decent housing and a suitable living environment and expanded economic opportunities, principally for low and moderate-income persons.

PUBLIC SERVICE NEEDS	MEASUREMENT	GOAL	\$FUNDING
Substance Abuse Services	People (Served)	100	37,000
Health Services	People (Served)	400	65,000
Other Public Service Needs	People (Served)	135	26,000
ANTI-CRIME PROGRAMS			
Other Anti-Crime Programs	People (Served)	85	35,000
PUBLIC FACILITY NEEDS			
Health Facilities	1 Facility (Unit)	1	150,000
Neighborhood Facilities	1 Facility (Unit)	1	7,000
INFRASTRUCTURE			
Water/Sewer Improvements	People (Served)		237,095

Antipoverty Strategy

Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 3 Action Plan Antipoverty Strategy response:

The County places emphasis on programs that reduce persons in poverty and improve the quality of life for residents. Projects that directly influence the poverty level include job enrichment, development, and placement through education and economic development. Projects that indirectly affect poverty include those that

upgrade the community and provide affordable housing. Specific activities for the 2007/08 Program Year that promote individual and family self-sufficiency include:

- InterFaith Health Clinic – Medical Services for the Working Uninsured

KCCD funds homeownership activities that help move lower income persons to self-sufficiency, as well as provide safe, affordable housing. As another example, KCCD funds the rehabilitation/construction of affordable rental units. Low-income families renting these units pay less of their income on rent and can thus spend it on activities such as education and job searches.

Specific projects being supported during the 2007/08 Program Year that provide direct assistance to clients who include persons in poverty include:

- Parkridge Harbor - Counseling and Substance Abuse Services
- Public Defenders Office – Counseling Services
- Volunteer Ministry Service – Medical Services for the Indigent
- Community Action Committee – Minor Home Repair Program
- Lisa Ross – Medical Services for Women
- Young Women’s Christian Association – Crime Prevention Program

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 3 Action Plan Specific Objectives response:

During the coming program year, KCCD will continue to help the Knoxville Coalition for the Homeless and other groups strengthen the safety net of housing and services for persons with special needs. KCCD's commitment to serving persons with special needs includes incorporating their needs into each year's Action Plan.

Project Funding: As shown in the Summary Table, KCCD will fund four projects to help persons with special needs in the current program year:

- **Provide \$250,000 in CDBG** funds to help the Knoxville/Knox County Community Action Committee provide home repair to elderly, disabled, or female-headed households with lower incomes.
- **Provide \$50,000 in CDBG** funding to Parkridge Harbor for housing and case management services to persons suffering from a combination of mental illness, substance abuse, HIV/AIDS and other catastrophic illnesses. Residents have histories of homelessness, dysfunction, drug addiction and criminal behavior. Parkridge Harbor offers the opportunity to stay drug free, employed and out of the criminal justice system.
- **Provide \$10,000 in CDBG** funds to the University of Tennessee College of Social Work for the Knoxville Homeless Management System (HMIS). This program offers services to homeless persons including emergency shelter, domestic violence protection, substance abuse treatment, and primary and behavioral healthcare.

Besides these programs, many of Knox County's other projects can serve persons with special needs. KCCD's efforts to provide affordable housing can help many of these families move more quickly to economic self-sufficiency by providing additional assistance to enable them to devote scarce resources to other needed items. Rental housing development/rehabilitation and housing rehabilitation will be accessible and adaptable as required. Additionally, some of KCCD's economic development and community development activities will serve the elderly and other special needs populations.

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 3 Action Plan HOPWA response:

Knox County does not receive HOPWA funds.

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 3 Specific HOPWA Objectives response:

Knox County does not receive HOPWA funds.

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.

