



3-5 Year Strategic Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant, HOME Investment Partnership, Housing Opportunities for People with AIDS and Emergency Shelter Grants Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

GENERAL

Executive Summary

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

3-5 Year Strategic Plan Executive Summary:

Executive Summary 2010-2015

Knox County carries out Federal programs administered by the U.S. Department of Housing and Urban Development. The consolidated plan is the document that the County submits to the U.S. Department of Housing and Urban Development (HUD) as an application for funding for the CDBG and HOME Programs.

CDBG can fund a variety of activities to help low-income people and neighborhoods, such as housing rehabilitation, community services, infrastructure, economic development, and business assistance. The HOME program can fund housing-related activities for lower-income people such as construction, rehabilitation, and rental assistance.

The lead agency responsible for the development of the Consolidated Plan is Knox County Neighborhoods and Community Development (KCNCD). The Consolidated Plan establishes a unified, coordinated vision for community development actions for the upcoming five years. Key elements of this Consolidated Plan are its emphasis on citizen participation and the collaborative nature of the process. The County uses the input from citizens and its community development partners to determine its housing and community development needs, to develop strategies for addressing those needs, and to undertake specific actions consistent with those strategies.

Population and Area

Knox County, Farragut and Knoxville's population grew by 13.8 percent between 1990 and 2000. During the same period, the County experienced a growth in households of 18.3 percent. Such population growth and household growth affects housing demand. Housing demand and housing prices typically increase as the proportion of households to available housing increases.

Farragut and the unincorporated areas outside of Knoxville experienced the greatest growth in households. Farragut, which continues to be viewed as one of the most desirable areas in which to live, experienced a 48.9 percent growth in households. The unincorporated area of Knox County experienced a household growth rate of 26.0 percent.

Households

According to the 2000 Census, unincorporated Knox County contains 74,890 households. The Figure below compares the total number of households in Knoxville, Farragut, the entire county, and the Knoxville MSA for the year 2000.

Table 1 Total Number of Households

Unincorporated Knox County	74,890
Knoxville	76,650
Farragut	6,332
Total Knox County	157,872
Knoxville MSA	281,472
Source: U.S. Census Bureau, 2000	

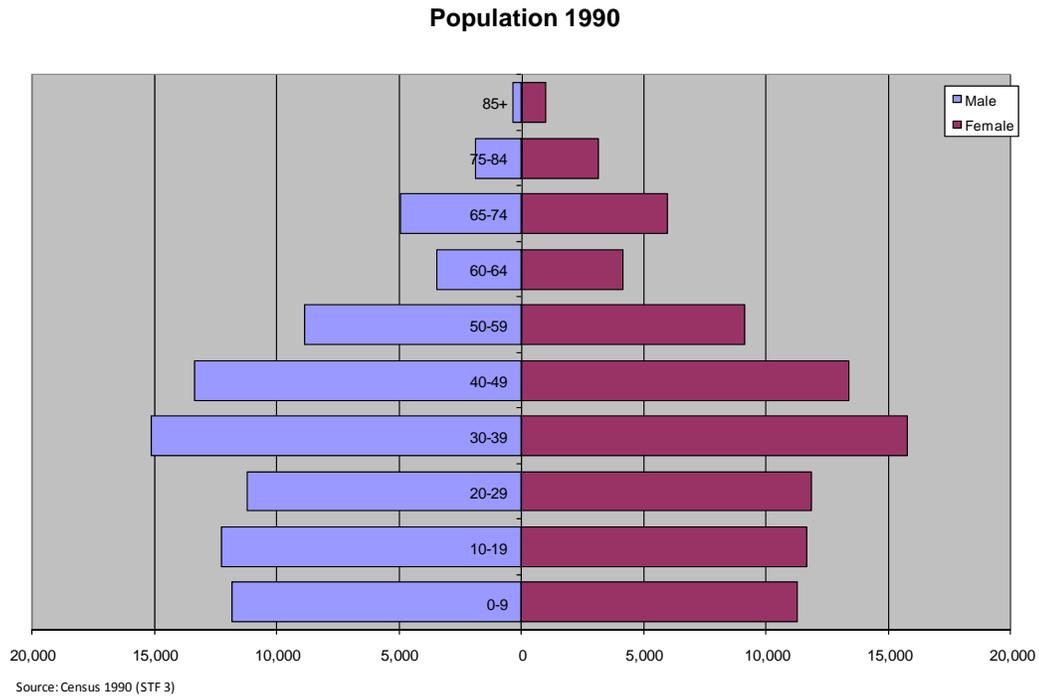
Overall, the population of the Knoxville SMA rose by 22.1 percent between 1990 and 2000, while the population throughout the state increased by 16.7 percent. The following population pyramids display the change in the county’s age distribution during this time period.

**Table 2
Households by Type (Not Counting Knoxville) 2008**

Household Type	1990		2000		2008	
	Number	% of Total	Number	% of Total	Number	% of Total
Total Households	63,611	100.0%	81,208	100.0%	97,743	100.0%
Family Households	50,128	78.8%	60,585	74.6%	69,722	71.3%
Non-Family Households	13,483	21.2%	20,623	32.4%	28,021	28.7%
Large Families (5 or More)	N/A	N/A	5,995	17.8%	N/A	N/A
Small Families (2 to 4)	N/A	N/A	44,214	82.2%	N/A	N/A
65 and older (families & non-families)	N/A	N/A	17,191	17.6%	N/A	N/A

As illustrated by the first pyramid below, the most populated cohort in 1990 was those aged 30-39 years (18.1 percent), followed by those aged 40-49 (15.7 percent) and 10-19 (14.0 percent), when these three groups together comprised 47.8 percent of the population.

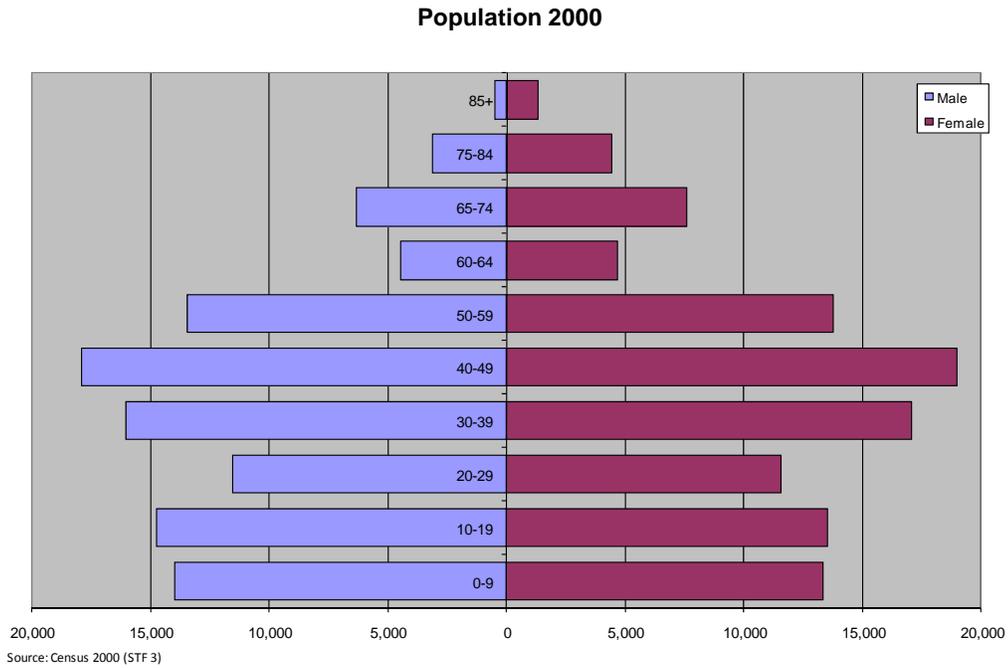
Figure 1: Population Distribution 1990



The 2000 pyramid illustrates a significant shift in age distribution. By 2000, those aged 40-49 represented the largest cohort, but in a slightly smaller proportion than this same group did ten years earlier (17.7 percent). Those aged 30-39 in 2000 represented 15.9 percent of the population—a significant increase from this same group’s 13.5 percent position in the previous decade. Those aged 10-19 still comprised the third largest cohort, at nearly the same rate to ten years previously, when this group was 0-9 years old (13.6 percent as compared to 13.5 in 1990). Together, these three cohorts made up 47.2 percent of the total population in 2000.

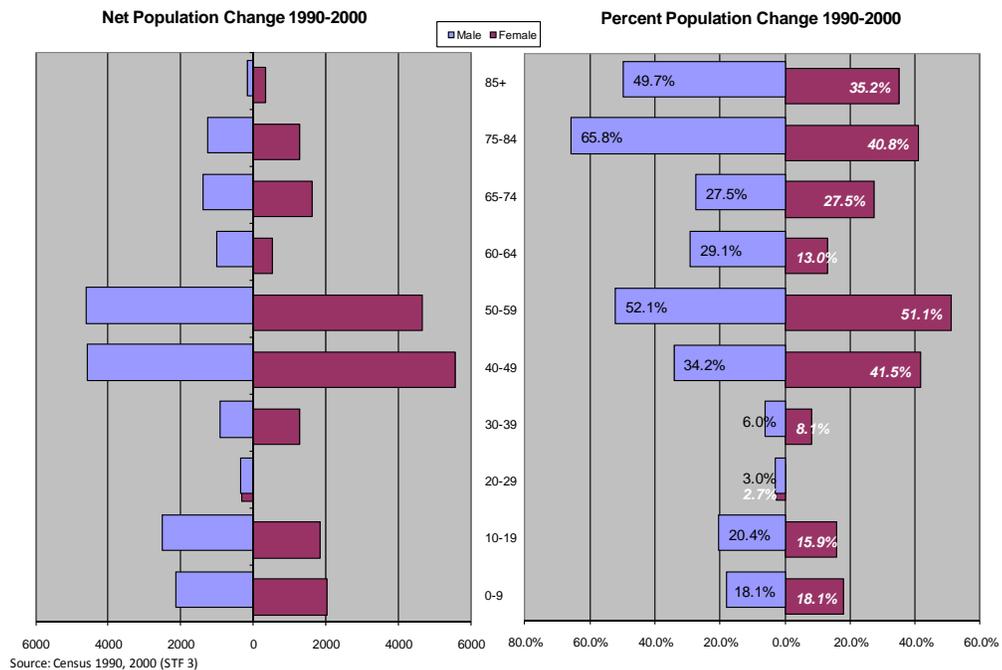
The fastest growth from 1990 to 2000 was experienced among those aged 50-59, growing by 2.5 points to comprise 13.1 percent of the population, while the cohort represented by ages 20-29 gained the smallest number in population, causing their ratio to drop by 2.4 points. While the cohorts represented by ages 0-9, 10 to 19, 30 to 39, and 60 to 64 also declined in terms of their percent of the population, no cohort declined in number over the decade.

Figure 2: Population Age Distribution 2000



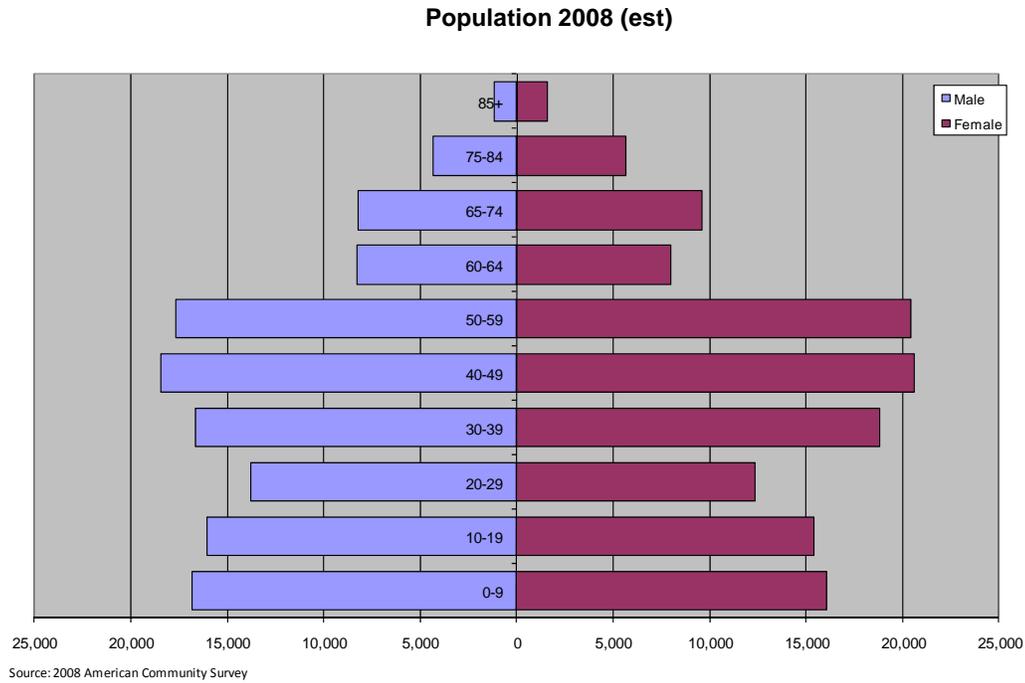
These changes are illustrated in the graph below, which shows the net and percent changes by cohort from 1990 to 2000. Blue bars on the left represent increase of male population, while red bars on the right represent increases among females. When the bars are reversed, this illustrates a loss in the population. The loss among women aged 20-29 is partially obscured by the increase in the male population of this same age.

Figure 3: Net Population Change: 1990 -2000



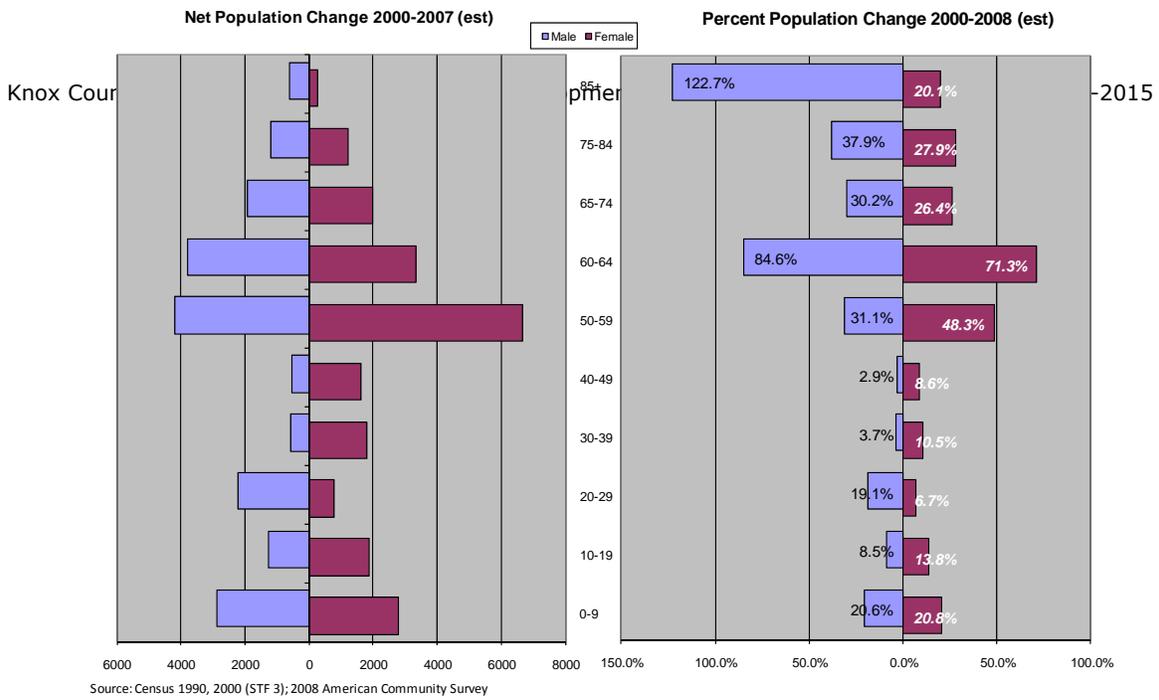
American Community Survey 2008 data estimate the largest cohort to be among those aged 40-49, now at 15.6 percent of the population. This was also the largest cohort a decade earlier, although at a higher rate (17.7 percent). By 2008, those aged 50-59 comprised the second largest cohort in Knox County (15.2 percent).

Figure 4: Population Age Distribution 2008



The greatest point gain was among persons aged 50-59, which increased by 2.2 points to become the second largest cohort in 2008 (15.2 percent). Where the three largest cohorts in 2000 were made up of those aged 10 to 19, 30 to 39 and 40 to 49 (comprising 47.2 percent of the population), the three largest cohorts in 2008 were those aged from 30 to 59, inclusive, and comprised 45.1 percent of the population. This supports the increasing median age of the population over the study period. At the same time, while no group experienced population loss, all cohorts from ages 10 to 49 declined in terms of percent in the population, as illustrated in the graph below.

Figure 5: Population Age Distribution Change 2000–2008



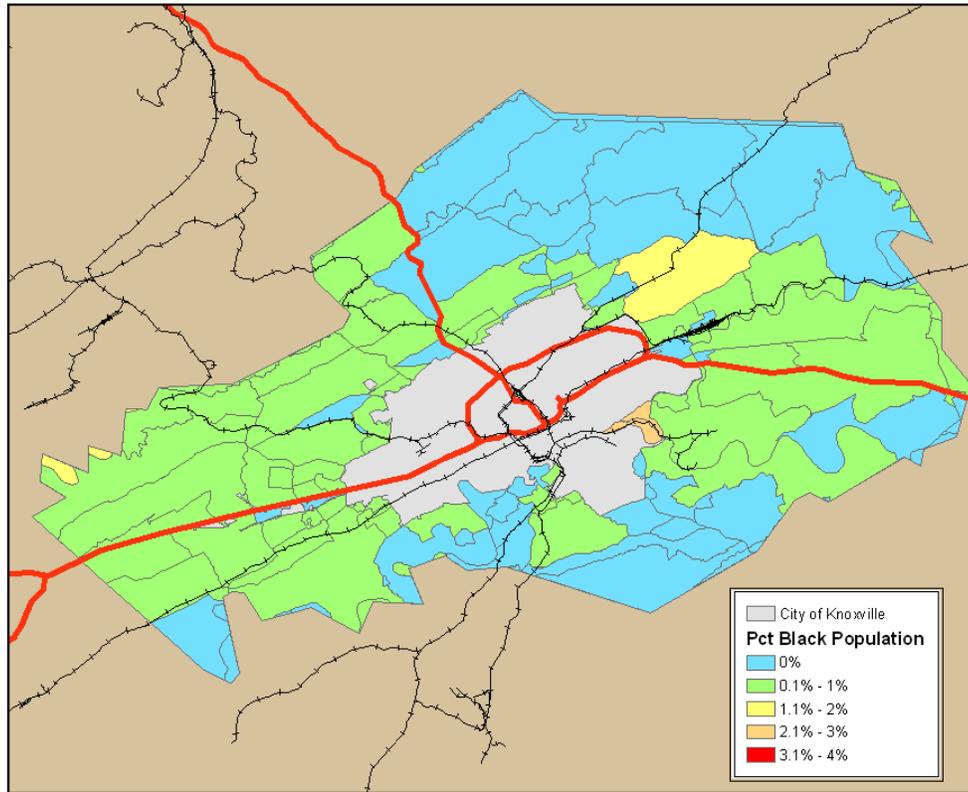
Racial and Gender Composition

In 2000, Knox County’s population was 95.0 percent White, 2.3 percent Black, 0.3 percent American Indian/Alaska Native, 1.1 percent Asian, 0.3 percent some other race, and 1.0 percent two or more races. The Hispanic population comprised 0.9 percent of the county’s total population.

American Community Survey, 2008 estimates, report a slight shift in population composition, indicating the population to be 92.6 percent White, 3.4 percent Black, 0.4 percent American Indian/Alaska Native, 2.1 percent Asian, 0.3 percent Other and 1.2 percent two or more races. The Hispanic population had doubled to 1.8 percent.

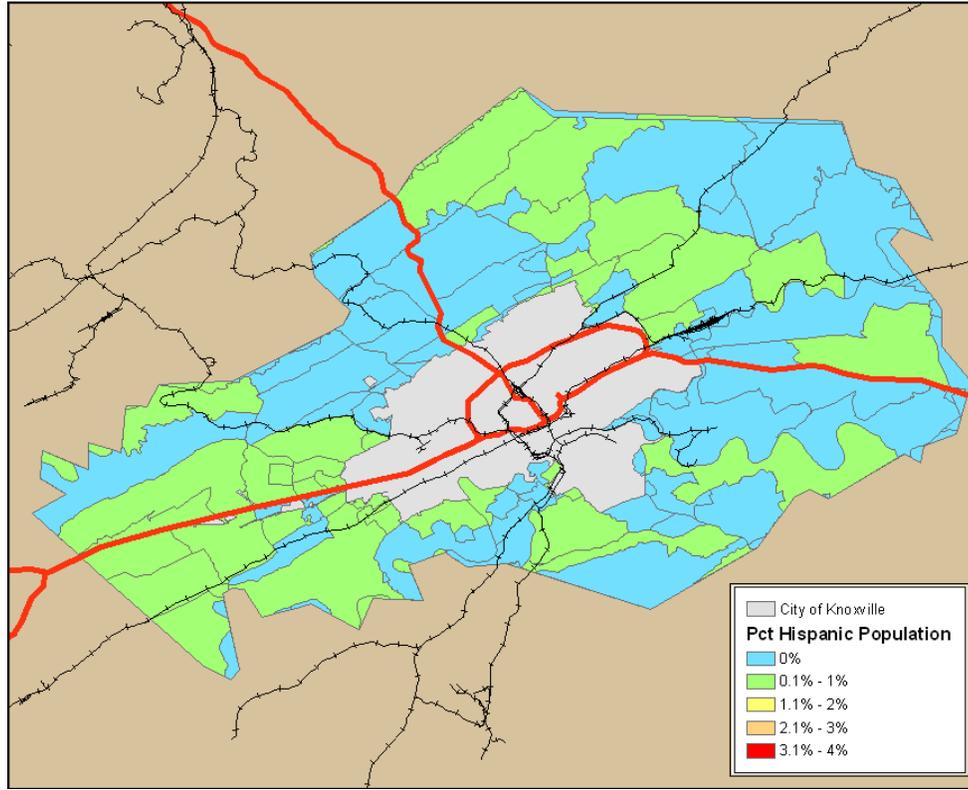
The map below illustrates the distribution of the black population in Knox County in 2000. Shaded orange on the map below, the highest concentration is indicated southeast of the City of Knoxville, where the black population comprises between 2 and 3 percent of each block group (0021.00-1 and 0021.002). Northeast of the City, show in yellow in block group 0052.01-3, from 1 to 2 percent of the population is black. Elsewhere throughout the county, the black population is less than 1 percent of the block groups’ populations. Block groups with more than 3 percent black population are within the city limits.

Figure 6: Population Distribution By Race 2000



Knox County's very small Hispanic population in 2000 was quite evenly distributed and comprises less than 1 percent of any block group throughout the County.

Figure 7: Hispanic Population Distribution 2000



Strategic Plan

Due every three, four, or five years (length of period is at the grantee’s discretion) no less than 45 days prior to the start of the grantee’s program year start date. HUD does not accept plans between August 15 and November 15.

Strategic Plan 2010-2015

Mission: In response to needs and objectives, Knox County’s strategic plan outlines the overall goals for addressing area housing and community development needs in the coming five years. The plan will identify how the County intends to use its Federal resources to address priority needs. The specific resources to be discussed include the Community Development Block Grant (CDBG) Program, the HOME Program, and local CHDO. Finally, Knox County is supported by the Housing Opportunities for Persons with HIV/AIDS (HOPWA) program and Emergency Shelter Program (ESG) administered by the State of Tennessee, as well as the Knoxville/Knox County Continuum of Care for Homeless Programs.

To provide maximum service and benefit, especially to low to moderate residents, Knox County must successfully balance a diverse array of housing and community development issues. Given the range of competing needs, the County must invest its scarce public resources wisely. Therefore, as a general principle, the County will attempt to expend public funds in a way that leverages the commitment of private sector support whenever possible, especially in the most needy locations and neighborhoods.

Through the public participation and consultation process, the County has identified the community's overall goals and objectives, under the Performance Measurement System (PMS). The objectives also appear on an Integrated Disbursement Information System (IDIS) screen and the County chooses from the options presented. The three objectives are:

Suitable Living Environment - In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

Decent Housing - The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.

Creating Economic Opportunities - This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

Under the **PMS** the County has chosen from one of the three outcome categories that best reflect what the Commissioners and Citizens are seeking to achieve by funding that activity, and then enter the outcome on the appropriate IDIS screen. The three outcome categories are:

Availability/Accessibility. This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low-and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.

Affordability. This outcome category applies to activities that provide affordability in a variety of ways in the lives of low and moderate income people. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Sustainability (Promoting Livable or Viable Communities). This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Finally, each outcome category is connected to each of the overarching objectives, resulting in a total of nine groups of outcome/objective statements under which the County reports the activity or project data to document the results of the activities or projects. Each activity provides one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments

- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunity

Based on the objectives and outcomes selected, and, in the case of CDBG activities the National Objective selected, IDIS identifies the specific indicators for each activity. Only the specific indicators appropriate for that activity will be available for the City to report. Thus, the process of identifying and selecting indicators is minimized. The objective and outcomes will combine with the activity indicator data to produce statements of National significance regarding the results of the activity.

There are certain data elements commonly reported by all programs, although both of the County's programs (CDBG and HOME) may require different specificity or may not require each element listed below. The County reports the information required for all programs, as currently required, including:

- Amount of money leveraged (from other Federal, State, County, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements).

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.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) and the basis for assigning the priority (including the relative priority, where required) given to each category of priority needs (91.215(a)(2)). Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
3. Identify any obstacles to meeting underserved needs (91.215(a)(3)).

3-5 Year Strategic Plan General Questions response:

General Information

Geographic Priorities

The Knox County Housing and Community Development Consolidated Plan will focus most of its programs in the unincorporated areas of the County. However, since Knoxville and Farragut account for more than half of the housing units in Knox County, a housing market analysis focusing only on the unincorporated portions of Knox County would serve as an incomplete basis for developing long-term strategies.

To identify low-moderate-income concentrations, KCNCD uses 2000 census together with American Community Survey updates. There are several census tracts with substantial L-M qualifying populations located along the eastern border of the County and the southwest corner of 1-75 and Callahan Drive south of Powell and two contiguous census tracts that contained the highest number of low- to moderate-income households, 4,800, are located on the western edge of Knoxville. KCNCD relies on 2000 U.S. Census data and boundaries to identify ethnic and minority concentrations.

Priority Needs

Strategic planning is the process of looking toward the future, identifying why an organization exists, what it would look like if it achieved its mission and the concrete steps it must take to achieve that vision.

Data that tell if you are achieving results on your strategic plan are performance measures. Performance measurement helps translate an organization's strategy into tangible objectives and performance indicators. There are two types of performance indicators – output and outcome.

Output indicators measure activities in the shorter term and include items such as the number of applications received, houses rehabilitated, etc. Outcome indicators are focused on longer-term impacts and include items such as an increase in the homeownership rate, reduction in families living in substandard housing etc. It is important to note that output indicators will generally be within the control of the County and its partners. However, outcome indicators are not completely under the control of the County. This integrated process is based on the following:

- Identifying goals, objectives and strategies as well as relevant measures;
- Determining what resources are necessary to achieve them;
- Analyzing and evaluating performance data; and
- Using that data to drive improvements in an organization.

The following presentation utilizes this performance-centered approach to outline the County's approach to housing and community development in the upcoming five years. All objectives and performance indicators are based on a five-year time frame that ends June 30, 2015.

Obstacles to Underserved 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. KCNCD will provide technical assistance to providers, as their needs demand.

Until ARRA (CDBG-R) the major obstacle to serving all the low-moderate income persons in the County, has been the very small amounts of Federal funds available. Presently the County is utilizing various Stimulus programs and during the timeframe of this Consolidated Plan will attempt to reach as far as the targeted funding will address immediate needs.

Managing the Process (91.200 (b))

1. Lead Agency. Identify the lead agency or entity for overseeing the development of the plan and the major public and private 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 the jurisdiction's consultations with housing, social service agencies, and other entities, including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons.

*Note: HOPWA grantees must consult broadly to develop a metropolitan-wide strategy and other jurisdictions must assist in the preparation of the HOPWA submission.

3-5 Year Strategic Plan Managing the Process response:

Managing the Process 2010-2015

Lead Agency

Knox County carries out federal programs administered by the U.S. Department of Housing and Urban Development. The Consolidated Plan is the document that the County submits to the U.S. Department of Housing and Urban Development (HUD) as an application for funding for the CDBG and HOME Programs. In addition, during 2009, the County has undertaken an amendment to the 2005-2010 Consolidated Plan to support the CDBG-R Program.

The lead agency responsible for the development of the Consolidated Plan is the Knox County Neighborhoods and Community Development Office.

The Consolidated Plan establishes a unified, coordinated vision for community development actions for the upcoming five years. Key elements of this consolidated plan are its emphasis on citizen participation and the collaborative nature of the process. The County uses the input from citizens and its community development partners to determine its housing and community development needs, to develop strategies for addressing those needs, and to undertake specific actions consistent with those strategies.

Plan Process

The development of the 2010-2015 Consolidated Plan is built on a number of other studies, plans and reports that have been prepared in recent years, including:

- Updated Analysis of Impediments to Fair Housing
- Continuing Self Evaluation of Knox County under the American's with Disabilities Act
- Recent ARRA (CDBG-R) Data

Consultations

The County is actively involved with and obtains significant input in response to survey questions from specialized organizations, agencies, and committees focused on the needs of the County and its residents. A survey developed by the County and City for the Consolidated Plan process was distributed to these organizations. What follows is a sample taken from the housing survey of the types of providers, the community needs, and the community challenges within each provider's areas of expertise:

Ten-Year Plan Office:

The TYP has provided coordination for the implementation of the Ten Year Plan for the last three years. TYP works with other organizations and ministries within the community rather than providing direct services. TYP sees a need for supportive services; the need for additional affordable, appropriate housing; and the need for rent subsidy for at risk populations. TYP sees the community challenges as community acceptance of new locations for permanent supportive housing, resources for case management services, and resources for mental health services.

Connect Ministries:

CM has provided reentering felony services in the County for the last year and a half.

Knox Housing Partnership:

KHP provides housing counseling (both pre and post purchase), foreclosure consultation, and financial literacy education; new home construction; rental development; affordable rental units; and rental management. KHP has served both the City and the County for twenty years. KHP sees a need for first mortgage financing for low-income families who have been adversely affected by the tightening of credit by conventional, FHA and VA lenders. KHP sees the community challenges as either home owners or renters losing their homes due to financial difficulties stemming from job loss, health issues, or other economic causes; a growing inability for low income families to obtain mortgage financing; a lack of affordable housing; and increasing energy efficiency in affordable housing.

City of Knoxville Community Development:

KCD works with the County on Economic Development, Housing Rehabilitation; Fair Housing; and Disability compliance. KCD sees the need for additional resources for training of the mentally challenged. KCD sees the community challenges as transportation, jobs, job training, and childcare.

Knoxville Habitat for Humanity:

KHFH provides affordable housing to very low income families and participates in inner-city development. KHFH has worked with the county for twenty years. KHFH sees the need for affordable housing located in higher performing school zones and the community challenges as families with a poor credit history; the locations desired for affordable housing; and transportation.

World Changers:

WC sponsors a weeklong project for up to 350 students and their adult sponsors who work as construction volunteers on owner occupied homes. WC has worked with the County for twenty years. WC sees the need as preserving the housing stock owned by the elderly, handicapped, or single parent families and the community challenge as investing sufficient funds in owner occupied housing to alleviate feelings of hopelessness and despair in decaying neighborhoods.

Knoxville Area Urban League:

KAUL provides workforce, small business, youth, education and housing counseling; default mortgage and foreclosure prevention counseling, rental counseling, homebuyer education, budget and credit classes and mortgage assistance KAUL offers services to both city and county residents. KAUL has worked with the County for thirty-seven years. KAUL sees the community needs as transportation, affordable housing, affordable rental housing and employment. KAUL sees the community challenges as funding for foreclosure prevention; refinancing of loans and mortgage; and funds to help keep rental families in their homes.

Volunteer Ministry Center:

VMC provides permanent and supportive housing to the homeless; rent and utility assistance to the marginally housed; and dental services to the poor and homeless. VMC has worked with the County on homeless shelters for twenty years, on dental care for eight years and on supportive housing for two years. VMC sees more permanent supportive housing facilities throughout Knox County; transitional housing (between emergency services and permanent supportive housing); and additional funds for rent and mortgage assistance as the community needs. VMC sees the community challenges as a decrease in charitable donations; lack of funding to staff homeless programs; and the lack of affordable and suitable housing for the homeless and mentally ill.

Knoxville-Knox County Community Action Committee:

CAC provides a list of public services to meet community needs including senior services; low-income assistance services; Head Start; food programs including senior meals; transportation services and various volunteer programs. CAC has served Knox County and Knoxville for over 35 years. CAC sees the greatest need in addressing the increasing number of homeless and the greatest community challenge as the apathy directed at the problems of homeless populations.

These surveys and other sources of information used in the development of the consolidated plan included in the Appendix.

Input is also gathered throughout the year through public meetings, citizen input, and interaction with residents and business and community leaders. Several methods were used to solicit citizen participation and to consult with other public and private entities in developing the consolidated plan. The process used to solicit input, including public notices, public meetings, public hearings and other outreach efforts, is summarized below. A copy of the complete Citizen Participation Plan is found in this Application and Plan. Other information attached to the Consolidated Plan includes Summary of Citizen Comments, Public Notices and List of Attendees at Community Meetings/Hearings.

Citizen Participation (91.200 (b))

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.
3-5 Year Strategic Plan Citizen Participation response:

Citizen Participation 2010-2015

Summary of the Citizen Participation Process

To maximize citizen participation, employees of the County in cooperation with the City of Knoxville held three public meetings to solicit information for the Consolidated Plan (2010-15), in addition to one public hearing to discuss the past year's performance and to hear funding requests for the coming 2010-2011 program year. Public comment and input was encouraged at the Consolidated Plan meetings regarding the needs of the County and the surrounding area and the use of CDBG program funds.

Input is also gathered throughout the year through public meetings, citizen input, and interaction with residents and business and community leaders. Several methods were used to solicit citizen participation and to consult with other public and private entities in developing the consolidated plan. The process used to solicit input, including public notices, public meetings, public hearings and other outreach efforts, is summarized below. A copy of the complete Citizen Participation Plan is found in Appendix A. Other information attached to the Consolidated Plan includes Summary of Citizen Comments, Public Notices and List of Attendees at Community Meetings/Hearing.

Summary of Comments or Views on the Plan

The County, in cooperation with the City of Knoxville, held public and Focus Group meetings covering Housing, Homelessness, Economic Development/Jobs, Community Development, Energy, Special Needs, Educational and County Interdepartmental.

Approximately 125 comments/recommendations were ultimately considered in the Consolidated Plan as well as the 2010 Action Plan. The survey results and actual comments are attached as an Appendix.

The following is an example of comments received during the 14 December 2009 public hearing:

Housing

- Blighted houses could be rehabilitated by ex-felons and then used to provide them housing "Urban Cowboy"
- Need for housing for mentally ill – permanent
- Agape – maxed out
- In-fill design guidelines are needed for all neighborhoods
- Sensitive to surrounding neighborhood design – needed
- Rental needed – rehab loan program needed
- More housing for adult mentally ill – permanent
- Stricter codes regarding existing housing/rental housing

- Infill housing aesthetics to "fit in"
- Infill housing – sensitivity
- Rental rehab loans – forgivable loans

- Cooperation with Weatherization agencies – each agency doing its own thing, leverage money better
- More bike/pedestrian/public transit opportunities-especially w/new housing development

Special Needs Populations

- Need for housing, jobs for ex-felons
- Are funds available for homeownership education for youth?
- Are there any programs for ex-felons to reintegrate in society?
- What are the plans to get the homeless off the street?
- Legal assistance is needed to prevent homelessness and assist the homeless and low-income
- Reconcile former offenders with community (housing and programs)
- Move homeless off the streets
- More security/police protection for youth activities

Codes/Public Nuisance

- Graffiti – indicating Latino gangs in all areas
- Overgrown Lots
- Overgrown lots in East Knoxville
- Latino gang graffiti activity
- Codes enforcement – repeat offenders
- Target long-term vacant properties (target funds)
- Neighborhood stabilization

Vacant Houses, properties

- Vacant houses – codes violations – need more enforcement
- Codes violations on vacant properties
- General funds for property acquisition
- Absentee landlords and vacant/blighted properties need program to address

- Criminalize – slum landlords
- How do you get an overgrown lot cleaned?
- My front yard, owner occupied, blighted properties, - how can this continue?
- Knox Heritage matching funds for “My Front Yard” for certain properties
- Funds to relocate tenants
- Increase local money to housing cleanup
- EZ: rehab. Assistance with blighted properties, My Front Yard, BPRP, Blighted properties redevelopment revolving loan program
- Matching money – Knox Heritage with My Front Yard

Energy Sustainability

- Use energy sustainability task force to go to next level – green jobs task force. Loan for energy retrofit
- Intention to focus on inner-city
- Energy sustainability task force
- Green job task force
- Weatherization needed for low-moderate income residents for job training for young people focused on green activities
- How many persons within the heart of Knoxville are unemployed that could be assisted with green job training?
- Student in green job training program-asked are jobs available when he gets out of training?
- Energy sustainability task force implementation has been effective
- Green job development and better access to weatherization programs
- Green jobs task force
- Energy Alliance – weatherization loans
- Intention to connect inner-city residents with green jobs
- Solar America Cities initiatives = jobs?

Community

- Need for more public transit, biking infrastructure
- Have companies work together to complete projects
- Need for central web page with all agencies and services available?
- Connect Ministry has services listed
- Civic responsibility training/ed for younger homeowners
- National literacy funds
- Web information for resources in communities (something like ‘Salt & Light’) – connect ministries has this
- How many unemployed people in the city?
- Better organization/coordination with each other

In housing, the public comments from all public hearings may be summarized as indicating a high priority for permanent housing for special needs and transitional populations, rehabilitation of rental housing and codes enforcement. Survey data indicated a high priority for permanent housing for special needs and transitional populations, rehabilitation of owner occupied and rental housing, case management for homeless populations and modifications for the disabled.

In the area of homelessness, public comments were focused on moving homeless off the streets. Survey data indicated a high priority for case management, emergency shelters for families, and all types of supportive housing for homeless populations.

In the areas of economic development and neighborhood stabilization, the public comments focused on blighted properties including vacant properties, rental properties and owner-occupied properties. Survey data indicated a high priority for addressing blighted properties and for job creation activities

In the area of special needs, the public comments focused on the need to help the homeless get off the streets and the re-entry of felons into the community. Survey data indicated a high priority for case management related to a wide range of special needs services, mental health services, and various types of housing with supportive services.

In the area of education and jobs, the public comments focused on job creation activities as did the surveys. Survey data indicated a high priority for job creation activities, employment training, and substance abuse services.

Efforts to Broaden Public Participation

Knox County issued invitations to various public, private and non-profit entities to attend focus groups and/or complete a targeted survey in five areas (housing and economic development, homelessness, health care and special needs, crime prevention, and education and job training). The public hearings/meetings were advertised in local newspapers at least 15 days in advance. The advertisements encouraged public attendance and input on the process, identification of which needs should be addressed, and the effectiveness of programs and activities carried out by the Office of KCNCD.

Efforts to involve citizens in the planning process for the development of the consolidated plan included the invitation of the public to several hearings. Invitations were made through advertisements in the local newspapers and letters to partners. The meeting notices advised the public of the availability of the draft Consolidated Plan and Annual Action Plan for review.

Meetings were made accessible to the handicapped.

Institutional Structure (91.215 (i))

1. Explain the institutional structure through which the jurisdiction will carry out its consolidated plan, including private industry, non-profit organizations, and public institutions.
2. Assess the strengths and gaps in the delivery system.
3. Assess the strengths and gaps in the delivery system for public housing, including a description of the organizational relationship between the jurisdiction and the public housing agency, including the appointing authority for the commissioners or board of housing agency, relationship regarding hiring, contracting and procurement; provision of services funded by the jurisdiction; review by the jurisdiction of proposed capital improvements as well as proposed development, demolition or disposition of public housing developments.

3-5 Year Strategic Plan Institutional Structure response:

Institutional Structure 2010-2015

Partnerships

The County works with other public and private agencies to identify and prioritize community needs, develop strategies and action plans, identify community resources, and promote the coordination of resources. Representatives from public and private agencies, as well as the private sector involved in assisted housing, health services, and social services participate in individual and group meetings to obtain information and provide input to the development of the consolidated plan.

County Strengths and Gaps

The mission of the KCNCD is to administer and implement policies, programs, and services authorized by the Knox County Commissioners that shape the physical environment and provide services to the citizens in a professional manner.

The Consolidated Plan examines the effectiveness of the County's housing and community development system. It also analyzes gaps in the delivery system and possible strategies to enhance collaboration. The Annual Action Plan describes the County's proposed actions for the coming program year to enhance the County's housing and community development delivery system.

The strategy is basically to foster collaboration. As lead agency for Knox County's Consolidated Plan, KCNCD's focus on the institutional structure is a broad strategy of coordination, empowerment, and communication with the public, private, and nonprofit sectors. KCNCD is taking a leadership role in these areas by concentrating on the following:

Establish strategic objectives that provide a guide to KCNCD's performance. Such objectives will allow the KCNCD's housing and community development partners to better understand the department's mission and provide context to KCNCD's clients and grantees.

Establish specific performance measures that will allow KCNCD 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.

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 meet to discuss and carry out strategies regarding issues such as coordination of resources, neighborhood needs, fair housing, barriers to affordable housing, strategies actions for the Consolidated Plan, NSP, and other items.

Expand current communication and marketing by continuing to publish a newsletter to keep partners informed and involved.

Continue participation in the Knoxville Coalition for the Homeless.

As staffing and funding allow, continue organization of Community Development Week as an outreach and education opportunity.

Provide other information pieces and outreach to the press concerning housing and community development issues.

Research and explore the possibility of establishing one or two Neighborhood Revitalization Areas in the unincorporated sections of Knox County.

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.

As staffing and funding allow, continue to expand KCNCD'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.

Public Housing Strengths and Gaps

Public housing was established to provide decent and safe rental housing for eligible low- and moderate-income families, the elderly and persons with disabilities. Public housing includes federally subsidized, affordable housing that is owned and operated by the Knoxville Community Development Corporation.

The PHA also administers the Federal Section 8 housing choice voucher program, which assists very low-income families in paying rent for privately owned housing units of their choice.

Public Housing Programs

In November 2009 the Knox County Housing Authority ("KCHA") operations were merged with the Knoxville Community Development Corporation ("KCDC") which will carry out KCHA's previous functions.

KCDC provides assistance to households through two main programs, Section 8 and development of housing for low-income households.

KCDC manages 195 units of public housing and 562 Section 8 housing vouchers including twenty-five Section 8 Housing Choice Vouchers. Chartered under Tennessee law, the Mayor of Knoxville appoints individuals to serve on KCDC's 7-person Board of Commissioners for staggered, 5-year terms. KCDC's budget is independent of the County and funded almost entirely by the U.S. Department of Housing and Urban development.

Monitoring (91.230)

1. Describe the standards and procedures the jurisdiction will use to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

3-5 Year Strategic Plan Monitoring response:

Monitoring 2010-2015

Within the existing CDBG and HOME programs, the County's Housing and Public Service Managers, as well as the Environmental Officer have the responsibility for monitoring all activities undertaken.

All activities are covered by an established set of standards established by HUD. In addition, all activities are carried out under a binding contract. Activities are reviewed for compliance with program objectives and each official maintains records of KCNCD activities.

In order to achieve the national objectives, KCNCD allocates CDBG funds on an application basis each year. A *Sub-recipient* is a public or private non-profit agency, authority, or organization that receives CDBG or HOME funds to undertake eligible activities.

It is the responsibility of KCNCD to: ensure that workers on public projects receive full wages for a day's work, prevent racial discrimination in the award of financial assistance to low and moderate-income families; prevent serious environmental impacts from government funded projects; avoid conflicts of interest in governmental procurement; and provide proper management of funds.

To the extent possible, KCNCD is committed to simplifying project administration and working with the proper officials to either prevent problems or correct them before they become serious. For example, a non-profit agency may be providing highly effective public services to low-income clientele; however, without proper record keeping, effective financial management and complete documentation of allowable expenses and activities, the use of CDBG or HOME funds cannot be justified.

Priority Needs Analysis and Strategies (91.215 (a))

1. Describe the basis for assigning the priority given to each category of priority needs.
2. Identify any obstacles to meeting underserved needs.

3-5 Year Strategic Plan Priority Needs Analysis and Strategies response:

Priority Needs Analysis and Strategies 2010-2015

Assigning Priorities

The County's top community, economic development, and housing priorities are to concentrate on developing low-moderate income areas over the five year term of the 2010-2015 Consolidated Plan. The new projects, with priorities indicated, as well as a progress summary of the past five years are displayed in the performance measurement section that follows.

Objectives, Strategies, and Performance Indicators

Evaluation of Overall Progress 2005-2010 estimated through 6/30/10

The Consolidated Plan for 2005-2010 incorporated substantial public input, grantee and sub-recipient experiences 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 seeks public input as established in the Plan.

Overall, Knox County has been successful in meeting, and in most cases exceeding, its projected performance goals and objectives as defined in Annual Action Plans and defined by the Consolidated Plan. Problems associated with the County's own housing rehabilitation programs have been addressed and the programs revamped. The Knoxville/Knox County Community Action Committee is now providing all construction for rehab, reconstruction and minor home repair in addition to being the initial administrative contact with the potential clients. Housing rehab remains a slow process due to qualifying clients with credit issues.

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 100 elderly, disabled and female homeowners received assistance to sustain their homes. The Volunteer Ministry Center continues to provide dental services to the homeless and individuals who do not qualify for other dental plans or programs 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 with a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities to meet the underserved persons of the community. Under the President's Recovery Act for the CDBG program, priority will be given to projects that can award contracts based on bids within 120 days of the grant agreement. Nonetheless, funding availability remains an obstacle. Organizations serving these populations continue to experience significant reductions in funding from both government and private sources, leaving many worthy and valuable programs unfunded or under-funded. While this challenge is sometimes beyond the capacity of the County to satisfactorily address, the two recent CDBG-R Projects, totaling approximately \$250,000, have helped to some degree.

New Projects and Activities

In order to achieve the goals of the 2010-2015 Consolidated Plan, the County will continue with the objectives that were productive during 2005-2010. Listed below are the overall objectives established by Knox County's Consolidated Plan process:

Objectives and Strategies

Priority #1: Decent Affordable Housing
A. Affordability of Affordable Rental housing
Objective: Preserve existing affordable senior rental units and develop new units with or without supportive services.
Strategies: Work with owners of small rental developments to promote development and availability of rental opportunities for seniors (HOME).
Output: 50 rehabilitated and/or new rental units; 50 households assisted.
Outcome: Reduction in the number of senior low-income renters that experience housing problems.

Priority #1: Decent Affordable Housing
B. Sustainability of housing for existing homeowners
Objective: Preserve existing low-income owner-occupied housing inventory by addressing emergency situations that threaten health and safety of the occupants.
Strategies: Implement emergency repair program to assist low-income homeowners with physical housing problems that pose immediate health and safety dangers (CDBG).
Output: 800 units rehabilitated; 800 households assisted.
Outcome: 100 percent of eligible homeowners with incomes less than 80 percent of AMI received assistance for housing problems resulting from an emergency situation that posed a threat to their health and safety.

Priority #1: Decent Affordable Housing
C. Affordability/Accessibility of Special needs housing for homeless and non-homeless persons
Objective: Provide financing for the development of permanent service-enriched housing for the physically/mentally challenged and other special needs populations
Strategies: Use federal, state, and local program funds to develop supportive or service-enriched housing for special needs populations
Output: 50 additional units of housing that are integrated with appropriate supportive services were completed. 50 of these units were HOME funded.
Outcome: Reduction by 50 units of the currently unmet need for permanent supportive housing for special needs individuals and families.

Priority #2: Suitable Living Environment
A. Availability/Accessibility of low and moderate family support, homeless, and Improve Public Services
Objective: Provide social services to special populations, homeless, and non-homeless in need of such services
Strategies: Review applications for subsidies by selected social service providers, based upon the demonstrated successful performance measures that positively impacted the long-term needs of area residents; Neighborhood Revitalization Services. Allocate up to 15 percent of the County’s CDBG funds to eligible public services
Output: 10,400 supportive service interventions will be conducted (case management, HMIS, life skills, employment training, transportation for elderly & disabled, youths recreation, alcohol and drug abuse counseling, mental health treatment, education, etc.); low-moderate income persons received job skills training through CDBG-funded activities
Outcome: Provide essential services and training to all low-moderate income people who are ready to become self-sufficient members of society

Obstacles to Underserved Needs

The Annual Action Plan must describe the County's proposed actions for the coming program year to address obstacles to meeting under-served needs.

The Annual Action Plans (2010-2015) include and will include strategies and actions to enhance coordination and address gaps in the housing and community development delivery system, which are obstacles to meeting under-served needs. Therefore, the County's proposed actions in these two categories, listed below, also help address obstacles to meeting under-served needs.

❖ **Fostering and Maintaining Affordable Housing**

The Annual Action Plan must also describe the County's proposed actions for the coming program year to foster and maintain affordable housing as well as estimating the total number of minority and/or female-headed households expected to become homeowners. The Consolidated Plan examined affordable housing, public housing, and other assisted housing needs.

The County's top priority for the use of CDBG and HOME 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.

The Tennessee Housing Development Authority and Knoxville Community Development Corporation administer subsidized units in Knox County. KCNCD consults with these organizations as part of its Consolidated Planning process.

❖ Reducing the Number of Poverty Level Families

HUD regulations require that the Consolidated Plan contain an "Anti-Poverty strategy." Each Annual Action Plan must also describe the County's proposed actions for the coming program year to reduce the number of poverty level families. KCNCD's strategy is to use its projects and activities to support State and County efforts to move low-income persons to economic self-sufficiency.

Lead-Based Paint (91.215 (g))

1. Estimate the number of housing units that contain lead-based paint hazards, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, and are occupied by extremely low-income, low-income, and moderate-income families.
2. Outline actions proposed or being taken to evaluate and reduce lead-based paint hazards and describe how lead based paint hazards will be integrated into housing policies and programs, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

3-5 Year Strategic Plan Lead-based Paint response:

Lead Based Paint 2010-2015

Lead poisoning is one of the worst environmental threats to children in the United States. While anyone exposed to high concentrations of lead can become poisoned, the effects are most pronounced among young children.

All children are at higher risk to suffer lead poisoning than adults, but children under age six are more vulnerable because their nervous systems are still developing. At high levels, lead poisoning can cause convulsions, coma, and even death. Such severe cases of lead poisoning are now extremely rare, but do still occur. At lower levels, observed adverse health effects from lead poisoning in young children include reduced intelligence, reading and learning disabilities, impaired hearing, and slowed growth.

Since the 1970s, restrictions on the use of lead have limited the amount of lead being released into the environment. As a result, national blood lead levels for children under the age of six declined by 75 percent over the 1980s and declined by another 29 percent through the early 1990s. Despite the decline in blood-lead levels over the past decade, recent data show that 900,000 children in the United States still have blood lead levels above 10µg/dL. These levels are unacceptable according to the Centers for Disease Control and Prevention (CDC) which lowered blood lead intervention level for young children from 25 to 10µg/dL (micrograms of lead per deciliter of whole blood) in 1991. Many of these lead-poisoned children live in low-income families and in old homes with heavy concentrations of lead-based paint. The CDC identified the two most important remaining sources of lead hazards to be deteriorated lead-based paint in housing built before 1978 and urban soil and dust contaminated by past emissions of leaded gasoline. The national goal for blood lead levels among children ages six months to five years is to limit elevations above 15µg/dL to no more than 300,000 per year and to entirely eliminate elevations above 25µg/dL.

Housing with Lead-Based Paint Hazards

National Trends

According to a report published by the U.S. Department of Housing and Urban Development in September 1995, as many as 64 million homes (83 percent of the privately owned housing units built before 1980) have lead-based paint somewhere in the building. Families with children six years old or younger occupy twelve million of these homes. An estimated 49 million privately-owned homes have lead-based paint on their interiors. Although a large majority of pre-1980 homes have lead-based paint, the affected areas are relatively small.

The amounts of lead based paint per housing unit vary with the age of the dwelling unit. Pre-1940 units have, on average, about three times as much lead-based paint as units built between 1960 and 1979.

Local Estimates

According to the Report on the National Survey of Lead-based Paint in Housing,¹ there are no statistically significant differences in the prevalence of lead-based paint by type of housing, the market value of the home, amount of rent payment, household income or geographic region. The following Table includes data from the 2000 census on the year housing units in Knox County were built. By applying the estimated national percentages of housing with lead-based paint somewhere in the building, we can estimate the housing units in Knox County with lead-based paint.

TABLE 3			
Estimated Units with Lead-Based Paint Knox County, Tennessee			
Construction Year	Occupied Housing Units built before 1980	Housing with Lead-Based Paint	
		Units	Percent
Total	46,081	37,071	82%
1960 to 1979	32,345	24,582	76%
1940 to 1959	10,035	9,232	92%
Before 1940	3,701	3,257	88%

Based on these estimates, as many as 37,071 occupied housing units in Knox County may contain lead-based paint. Nationally, the presence of lead is even more widespread in public housing; 86 percent of all pre-1980 public housing family units have lead-based paint somewhere in the building.

Three important measures of the likelihood of lead-based paint poisoning are (in order of relevance) the presence of a child under age 6, living in a structure that was built prior to 1978 (using census year 1980 as a proxy), and low income. By compiling these measures, we can begin to focus on where these affected housing units might be located.

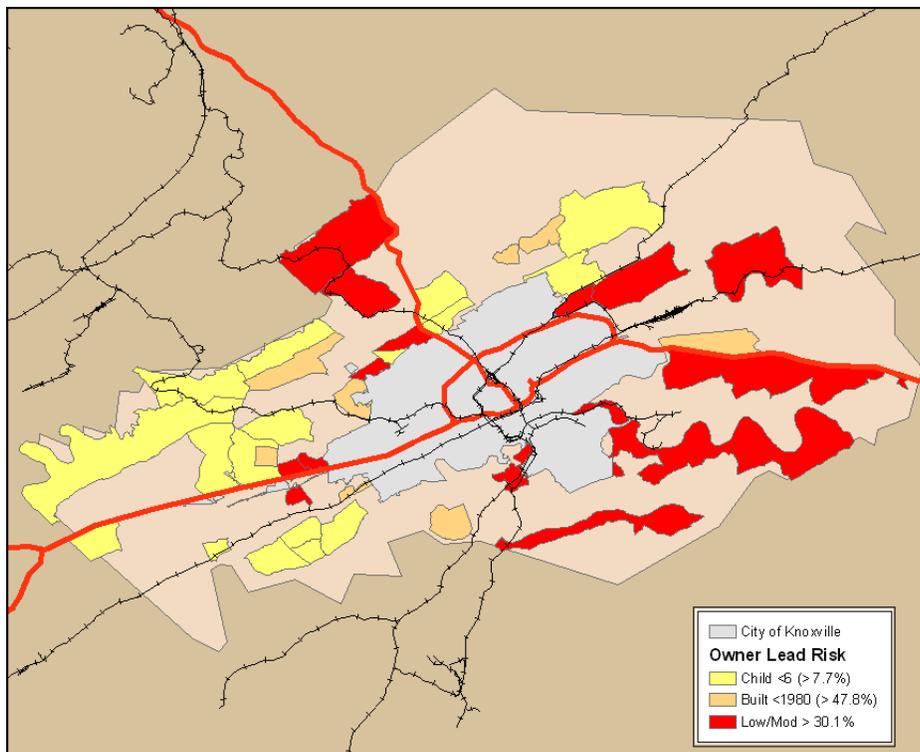
¹ EPA, *National Survey of Lead-based Paint in Housing*, DocNo024EPA,, June, 1995.

The map below was developed by cumulative measures, comparing each to the local average. The yellow areas indicate census tracts where more than 7.7 percent of the population is made up of children under age 6. This threshold represents the average percent of children under 6 throughout Knox County.

On average, 47.8 percent of the owner-occupied structures in Knox County were built prior to 1978—the year when lead-based paint was banned. The second measure—shown in Knox County below—indicates census tracts where the percent of children under age 6 exceeds the 7.7 percent area average, and there is a greater percent of owner-occupied structures built prior to 1978 than the area’s average of 47.8 percent, indicating a higher likelihood of risk of lead-based paint poisoning among young children.

Finally, the 17 block groups shown in red below indicate a culmination of the previous two measures with the addition of higher-than-average population of low- and moderate-income households. In Knox County, this average is 30.1 percent. This analysis suggests that, among homeowners, childhood lead-based paint poisoning is most likely to occur in these 17 block groups.

Figure 8: Owner Lead Risk

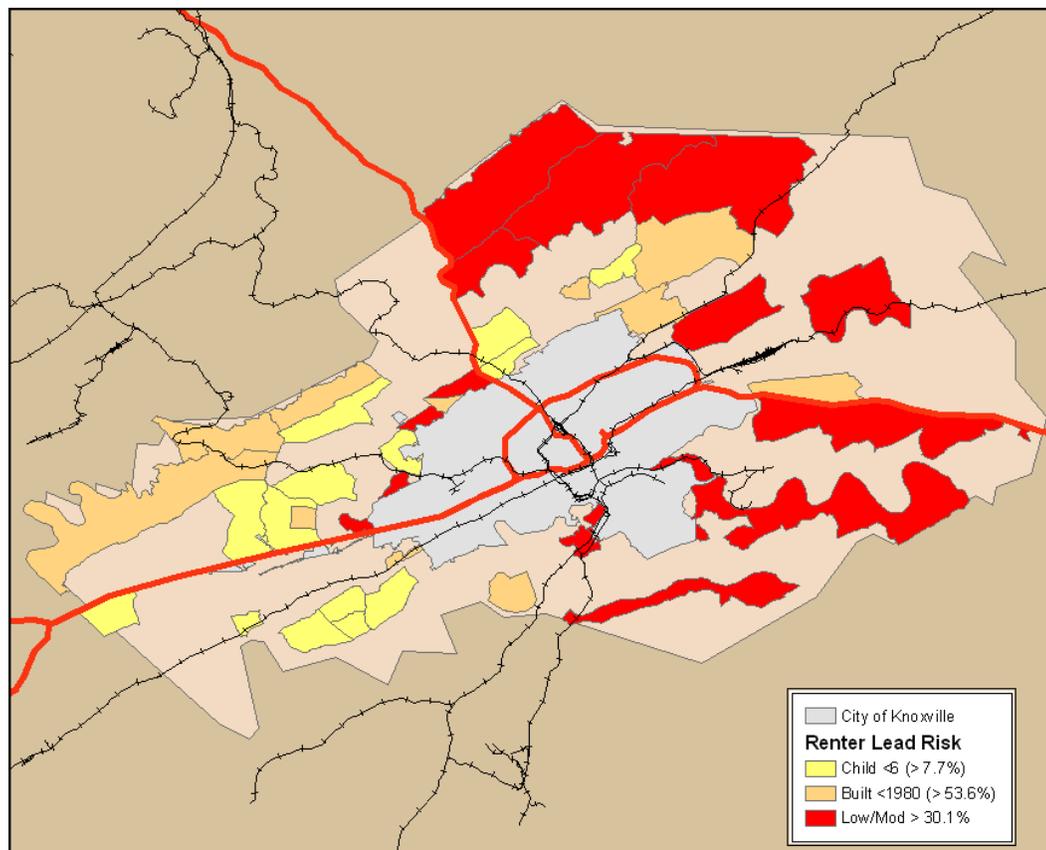


Renters, too, are at risk of lead-based paint poisoning hazard; in fact, they may actually be at greater risk, since they have less control over the conditions of the structures in which they live. The difficulty in lead hazard control for rental properties lies in gaining

the owner's consent and cooperation for performing needed work. Unfortunately, it is often the presence of a child with Elevated Intervention Blood Lead Levels (EIBLL) that sounds the alarm.

The methodology for targeting lead remediation for tenant-occupied units is the same as for owners. The same thresholds of children under age 6 (greater than 7.7 percent of the population) and low- and moderate-income composition of the tract's population (30.1 percent) apply. However, in Knox County, the threshold for renters living in homes built prior to 1980 is 53.6 percent (as compared to 30.1 percent of owners). This threshold means that there may be a high risk of lead-based paint poisoning hazard even in tracts that fall short of this measure, and this risk should not be minimized. Seventeen (17) block groups (shown in red below) have all three of the significant factors for lead hazards. Twelve (12) of these were also identified as having a high risk of lead hazards in owner-occupied units.

Figure 9: Renter Lead Risk



Data on the number of children tested (aged 72 months and below) and those found to have elevated levels of blood-lead levels throughout Knox County appear in the table below. Knox County has seen a decrease in levels in recent years and the incidence of children with increased blood lead levels continues to be less than one percent.²

² Phillip Woodard, Surveillance Manager, TN Childhood Lead Poisoning Prevention Program, University of Tennessee, Knoxville, TN; report provided 12/8/09.

TABLE 4			
Knox County: Lead Testing			
Year	Number of Children Tested	≥10 µg/dL	Percent
2005	1,681	6	0.3%
2006	1,330	7	0.3%
2007	1,693	5	0.1%
2008	1,784	10	0.3%
2009	718	4	0.1%

While the numbers are quite low, the fact that there are children with elevated blood lead levels speaks to the greater issue of the importance of continued vigilance in eliminating lead hazards.

Lead-Based Paint Hazard Reduction

An important initiative emanating from HUD in the last decade is the reduction of lead-based paint hazards, and many jurisdictions around the country have focused a concerted effort to reach this goal. The federal Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of the Housing and Community Development Act of 1992) amends the Lead-Based Paint Poisoning Prevention Act of 1971, which is the law covering lead-based paint in federally funded housing. These laws and subsequent regulations issued by the U.S. Department of Housing and Urban Development (24 CFR Part 35) protect young children from lead-based paint hazards in housing that is financially assisted or being sold by the federal government.

In renovation and property rehabilitation projects involving Knox County, an assessment will be made whether lead-based paint might be present and, if so, follow the guidelines set forth in the Residential Lead-Based Paint Hazard Reduction Act of 1992, Title X of the Housing and Community Development Act of 1992 (Title 24, Part 35 of the Code of Federal Regulations).

Housing

Housing Needs (91.205)

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

1. Describe the estimated housing needs projected for the next five year period for the following categories of persons: extremely low-income, low-income, moderate-income, and middle-income families, renters and owners, elderly persons, persons with disabilities, including persons with HIV/AIDS and their families, single persons, large families, public housing residents, victims of domestic violence, families on the public housing and section 8 tenant-based

waiting list, and discuss specific housing problems, including: cost-burden, severe cost-burden, substandard housing, and overcrowding (especially large families).

2. To the extent that any racial or ethnic group has a disproportionately greater need for any income category in comparison to the needs of that category as a whole, the jurisdiction must complete an assessment of that specific need. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.

3-5 Year Strategic Plan Housing Needs response:

Housing Needs 2010-2015

Estimated Housing Needs

More than two thirds of extremely low-income households (earning less than 30 percent of the area’s median household income) in Knox County experienced one or more housing problems. Households with housing problems are those households occupying units that may be without a complete kitchen or bathroom may contain more than one person per room, or that pay more than 30 percent of their income to cover housing expenses. The table below provides a breakdown of the percentage of households with housing problems by type of housing problem and income level.³

TABLE 5				
Households with Housing Problems (2000)				
Housing Problem	Income Level	Households		
		Renter	Owner	Total
Any Housing Problems	30% or Less of Median	64.2%	69.3%	65.8%
	31% to 50% of Median	65.8%	49.6%	58.1%
	51% to 80% of Median	31.4%	36.2%	34.2%
	All Income Levels	37.5%	19.4%	25.4%
Cost Burden Over 30%	30% or Less of Median	62.8%	68.2%	64.4%
	31% to 50% of Median	62.2%	48.4%	55.7%
	51% to 80% of Median	28.4%	34.6%	32.1%
	All Income Levels	35.0%	18.5%	24.0%
Cost Burden Over 50%	30% or Less of Median	50.7%	49.7%	50.4%
	31% to 50% of Median	20.5%	25.6%	22.9%
	51% to 80% of Median	1.8%	9.0%	6.1%
	All Income Levels	18.1%	7.0%	10.7%

³ CHAS data, 2000, retrieved 10/3/09.

Extremely Low-Income Households

Extremely low-income households are households that earn 30 percent or less of the area median income (adjusted for family size). Given that HUD's 2009 area median family income for Knox County is \$47,050 (for a family of four), households earning \$17,650 or less annually are considered extremely low-income. Extremely low-income homeowners are more likely than renters to live in a home with housing problems or experience a cost burden (69.3 percent of owners, as compared to 64.2 percent of renters).

Renters

Among extremely low-income renters, large related households are more likely to experience one or more housing problems (78.0 percent) than are small related (67.2 percent) or elderly (45.2 percent) households. These same households are more likely to be cost burdened (69.2 percent), paying 30 percent or more of their income for housing, than any other group of renters. Among all extremely low-income renters, nearly two-thirds (62.8 percent) spend 30 percent or more on housing, and 50.7 percent spend 50 percent or more on housing. Over one-half (59.1 percent) of households that are neither related nor elderly ("All Others") pay more than 50 percent of their income for housing, while 50.3 percent of small related households pay more than 50 percent of the income for rent.

Owners

Among extremely low-income homeowners, 96.5 percent of large related households experience one or more housing problems; 83.5 percent of these experience a cost burden of over 30 percent. Small households are most likely to experience a cost burden of 50 percent (65.1 percent), but 64.5 percent of large households have this same experience. Elderly households are the least likely to experience a cost burden of 50 percent (38.5 percent).

Very Low-Income Households

Very low-income households are those that earn between 31 percent and 50 percent of the area's median household income (adjusted for family size). Given that the 2009 area median household income for Knox County is \$47,050 (for a household of four), households earning between \$17,650 and \$29,400 annually are considered very low-income. Very low-income renters are considerably more likely to experience housing problems than homeowners (65.8 percent of renters, as compared to 49.6 percent of homeowners).

Renters

Among very low-income renters, unrelated households experience housing problems more than any other type of household (73.6 percent), of which 72.2 percent is attributable to a cost burden of 30 percent or more, and 27.8 percent of which is a cost burden that exceeds 50 percent. Nearly two-thirds of large related households experience housing problems (65.6 percent), 72.2 percent of which is a cost burden of over 30 percent, with 27.8 percent experiencing a cost burden of over 50 percent. Just over one-half of small-related and elderly households experience housing problems (58.6 and 57.2, respectively), and slightly over 10 percent of these experience a cost burden in excess of 50 percent.

Owners

Among large related households, 89.9 percent experience a cost burden of 30 percent or more, and 41.6 none experience a cost burden of 50 percent or more. Roughly two-thirds of small related and unrelated households (66.1 and 62.7 percent, respectively) experience a cost burden of 30 percent or more, as do one-third of elderly households (33.1 percent). Roughly one-half of these households' cost burden exceeds 50 percent.

Low-Income Households

Low-income households are those earning between 51 and 80 percent of the area median household income (adjusted for family size). Given that the 2009 area median household income for Knox County is \$47,050 (for a household of four), households earning between \$29,400 and \$47,050 annually are considered low-income. Low-income homeowners are more likely than renters to experience housing problems (36.2 percent, as compared to 31.4 percent).

Renters

A slightly higher percentage of large related households (39.7 percent) experience one or more housing problems than other low-income renters, most of which is attributable to a cost burden of 30 percent. Elderly households are the most likely to experience a 50-percent cost burden, which is the case for 3.8 percent of elderly renter households.

Owners

Over one-half of large related households experience housing problems (55.6 percent), of which 8.8 points are attributable to cost burden of more than 50 percent. Most housing problems experienced by elderly households are attributable to cost burden of 30 to 50 percent (16.3 percent), while 5.4 percent experience a 50-percent burden. More than one-half of unrelated households experience housing problems (50.6 percent), of which 34.6 points is cost burden, and 9 points is cost burden in excess of 50 percent.

Renters Summary

Overall, renters with housing problems increased in the period 1990 to 2000 by less than one percent (0.8). Among extremely low-income renter households, 4.5 percent fewer households experienced housing problems than in 1990 and 4.3 percent fewer households experienced a cost burden in excess of 30 percent. However, 27.0 percent more renter households experienced a cost burden in excess of 50 percent in 2000 than in 1990.

Very low-income renter households experienced little improvement, with 1.6 percent fewer households experiencing any housing problems and 2.2 percent fewer experiencing a cost burden of over 30 percent. However, 46.7 percent more renter households experienced a cost burden in excess of 50 percent in 2000 than in 1990.

For low-income renter households, 18.0 percent fewer households experienced housing problems than in 1990 and 18.6 fewer households experienced a cost burden in excess of 30 percent. However, among households experiencing a cost burden of over 50 percent, there was an increase of 124 percent, from 2.5 percent of low-income renter households in 1990 to 5.6 percent in 2000.

TABLE 6								
Summary of Renter Households with Housing Problems								
	1990				2000			
	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*
Income 30% or Less of Median	11,997	67.2%	65.6%	51.8%	14,385	64.2%	62.8%	65.8%
Income 31% to 50% of Median	7,522	66.9%	63.6%	21.4%	9,228	65.8%	62.2%	31.4%
Income 51% to 80% of Median	9,219	38.3%	34.9%	2.5%	10,370	31.4%	28.4%	5.6%
Total Households	47,090	37.2%	**	**	52,245	37.5%	35.0%	18.1%
* Households experiencing a cost burden greater than 50 percent are a subset of those experiencing a cost burden greater than 30 percent.								
** Data unavailable								

Owners Summary

Overall, owners with housing problems increased in the period 1990 to 2000 by 16.9 percent, as illustrated in the table below. The change was most significant among very-low and low-income owners.

Among extremely low-income owner households, 2.1 percent fewer households experienced housing problems in 2000 than in 1990, with 1.7 percent fewer households experiencing a cost burden in excess of 30 percent. However, 22.5 percent more owner households experienced a cost burden in excess of 50 percent in 2000 than in 1990. Very low-income owner households experienced significantly greater housing problems in 2000 than in 1990, with 18.9 percent more experiencing any housing problems and 22.2 percent more experiencing cost burden over 30 percent. Owner households experiencing a cost burden in excess of 50 percent increased by 120.7 percent, from 16.4 percent of very low-income homeowners in 1990 to 36.2 percent in 2000.

For low-income owner households, 38.2 percent more households experienced housing problems in 2000 than in 1990. 44.8 percent more owner households experienced cost burden over 30 percent, while 66.7 percent more low-income owner households experienced a cost burden in excess of 50 percent in 2000 than in 1990.

TABLE 7								
Summary of Owner Households with Housing Problems								
	1990				2000			
	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*
Income 30% or Less of Median	5,757	70.8%	69.4%	40.5%	6,407	69.3%	68.2%	49.6%
Income 31% to 50% of Median	7,132	41.7%	39.6%	16.4%	8,270	49.6%	48.4%	36.2%
Income 51% to 80% of Median	11,376	26.2%	23.9%	5.1%	15,296	36.2%	34.6%	8.5%
Total Households	86,494	0.166	**	**	105,553	19.4%	18.5%	7.0%
* Households experiencing a cost burden greater than 50 percent are a subset of those experiencing a cost burden greater than 30 percent.								
** Data unavailable								

Elderly and Frail Elderly

Understandably, elderly owner households are more likely to be low-income. While the cost of maintaining a home rises with age of the house and homeowner's insurance rates increase almost annually, elderly incomes generally do not rise when adjusted for inflation. Thus, elderly owner households are continually squeezed financially by the need to maintain the property, the rise in insurance rates, and an overall decline in the owner's health. Many elderly persons find it medically beneficial and emotionally comforting to remain in a familiar setting, making decent and affordable housing a major concern for this population. As a result, a strong emphasis is placed on the elderly to maintain an independent, to semi-independent lifestyle, with close, convenient and immediate access to recreational, medical and social service resources.

Elderly persons comprised 10.1 of the total population of Knox County in 1990. This increased to 11.2 percent in 2000, and is estimated to have increased again to 12.2 percent by 2008. Elderly households experienced some improvement since 1990, at which time they comprised 23.1 percent of all households in Knox County, but 34.2 percent of all low-income households (a differential of 11.1 points). In 2000, elderly households comprised 22.0 percent of all households (an increase of 12.3 percent from 1990), but 28.7 percent of low-income households (a decrease of 16.2 percent from 1990). Despite the increase of elderly households from 30,880 to 34,680, the number of low-income elderly households remained stable, changing from just 18,134 in 1990 to 18,330 in 2000.

TABLE 8					
Elderly and Elderly Low-Income Households (2000)					
	All Households			Low-Income Households	
	Total	Elderly	Percent of Total	Elderly	Percent Low-Income
Renters	52,245	6,602	12.6%	5,140	15.1%
Owners	105,553	28,078	26.6%	13,190	44.0%
Total	157,798	34,680	22.0%	18,330	28.7%

The types of housing for the elderly and frail elderly vary depending on the special features and/or services needed to meet the needs of older residents. Factors that must be considered in developing housing for the elderly include location, services and amenities, nearness to healthcare, shopping and other services, affordability and ease of upkeep. Categories of housing for the elderly include the following:

- Independent living housing, which includes elderly apartments, congregate housing, multi-unit assisted housing with services, adult communities, retirement communities and shared housing.
- Assisted living, which includes adult care homes and multi-unit assisted housing with services.
- Nursing home, which includes nursing home, convalescent home, Skilled Nursing Unit (SNU), care home or rest home.

Priority Housing Needs (91.215 (b))

1. Identify the priority housing needs and activities in accordance with the categories specified in the Housing Needs Table (formerly Table 2A). These categories correspond with special tabulations of U.S. census data provided by HUD for the preparation of the Consolidated Plan.
2. Provide an analysis of how the characteristics of the housing market and the severity of housing problems and needs of each category of residents provided the basis for determining the relative priority of each priority housing need category.
3. Note: Family and income types may be grouped in the case of closely related categories of residents where the analysis would apply to more than one family or income type.
4. Describe the basis for assigning the priority given to each category of priority needs.
5. Identify any obstacles to meeting underserved needs.

3-5 Year Strategic Plan Priority Housing Needs response:

The Housing Needs Strategy was developed following the many public focus group outreach meetings held in the County during the past year. The needs are more extensive but due to the limited Program funds that will be available over the next five years, the number of Projects is contained by the expected resources.

Housing Needs Table

Project	Need	Funding	Priority
Rehabilitation of low-income, single family, owner-occupied housing	800 Units	CDBG	High
Construction of Senior Housing with or without supportive services	50 Units	HOME	High
Construction of permanent supportive housing	50 Units	CDBG/HOME	High
Rental Housing Rehabilitation of outdated schools	50 Units	CDBG	Medium

RESALE AND RECAPTURE GUIDELINES

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. KCNCD 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.

KCNCD 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 prorated 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.

Housing Market Analysis (91.210)

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

1. Based on information available to the jurisdiction, describe the significant characteristics of the housing market in terms of supply, demand, condition, and the cost of housing; the housing stock available to serve persons with disabilities; and to serve persons with HIV/AIDS and their families. Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation.
2. Describe the number and targeting (income level and type of household served) of units currently assisted by local, state, or federally funded programs, and an assessment of whether any such units are expected to be lost from the assisted housing inventory for any reason, (i.e. expiration of Section 8 contracts).
3. Indicate how the characteristics of the housing market will influence the use of funds made available for rental assistance, production of new units, rehabilitation

of old units, or acquisition of existing units. Please note, the goal of affordable housing is not met by beds in nursing homes.

3-5 Year Strategic Plan Housing Market Analysis responses:

Housing Market Analysis 2010-2015

Market Characteristics

In 2000, there were 298 housing units with inadequate plumbing facilities: 50 renter-occupied and 248 owner-occupied. According to 2008 American Community Survey, this number increased to a total of 1,938 housing units with inadequate plumbing facilities, of which 588 were renter-occupied.

In 2000, there were 194 housing units with incomplete kitchens; 76 renter-occupied units and 118 owner-occupied. In 2008, it is estimated that 2,128 housing units lacked complete kitchen facilities, of which 806 were renter occupied.

Overcrowding is another important measure of housing condition. HUD defines overcrowding as more than one resident per room in a housing unit. Data from the 2008 American Community Survey dataset suggest that less than one percent (0.2) of all households live in homes with more than one occupant per room (181 units), of which 0.3 percent (50 units) are renters, and 0.2 percent (131) are homeowners. This represents an improvement over the 2000 rates of 1.0 percent of all households (0.8 percent of renters and 1.9 percent of homeowners).

Vacancy Rates

In 2000, the overall vacancy rate in Knox County was 6.1 percent of all housing units, representing a slight decline over the 1990 rate of 5.2 percent. As of the 2008 American Community Survey, the vacancy rate was estimated to have declined to 5.5 percent. Of all vacant units in 2000, 29.5 percent were for rent, 31.8 percent were for sale, and 12.9 percent had been rented or sold but were unoccupied. The percentage of properties available for rent declined from 1990, when 32.6 percent of vacant properties were for rent. At the same time, the percentage of properties for sale rose from 22.9 percent in 1990. Specific data are not available at this level of detail for vacant units in 2008.

Dwelling units designated for seasonal, recreational or occasional use made up 7.2 percent of vacancies in 2000, a significant increase from 3.6 percent in 1990. Units vacant for other reasons accounted for 18.6 percent of total vacancy in 2000—significantly lower than the 40.9 percent in 1990. This figure was not available in 2008.

In 2000, the highest vacancy rates were found among structures of from 5 to 19 units. Of the estimated 3,612 such units in Knox County in 2000, 625 were vacant (17.3 percent). Structures of 2 to 4 units had the second highest vacancy rate (10.9 percent—335 vacancies out of 3,073 units), followed closely by dwellings in structures of 20 or more units (10.1 percent—65 vacancies out of 644 units). The lowest vacancy rates are found among single, detached housing units (4.9 percent—3,244 vacancies out of 65,733 units). Data on vacancy rates by type of structure are not available for 2008.

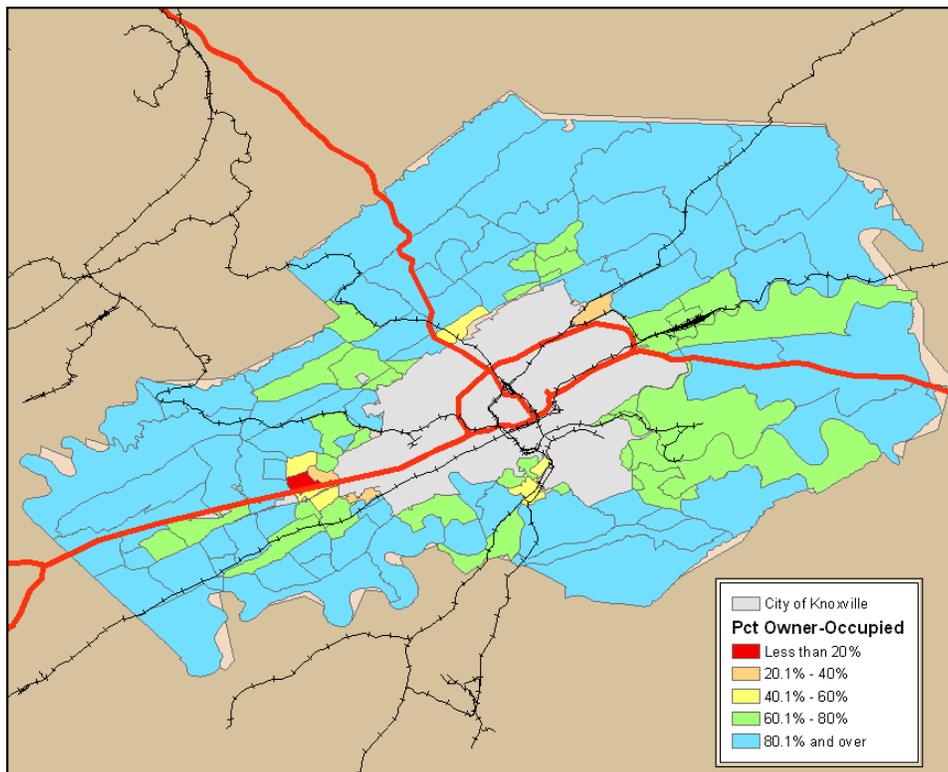
Housing Stock

Owner-Occupied Housing

The current median value of a single-family home in Knox County is \$159,900⁴. Since the current median income in Knox County is \$57,352⁵, 28 percent of this amount would support a mortgage of \$115,125, which is greater than the current median sales price. Therefore, it would appear that homeownership is attainable by any household earning an income near the median.

The map below illustrates the distribution of owner-occupancy throughout the area as compared to the total number of housing units. Knox County’s homeownership rate rose from 79.3 percent in 1990 to 81.8 percent in 2000, and remained steady at an estimated 81.5 percent in 2008. In all years, the homeownership rate has been significantly higher than the national average (which declined to 66.6 in 2008).

Figure 10: Distribution of Owner Occupied Units



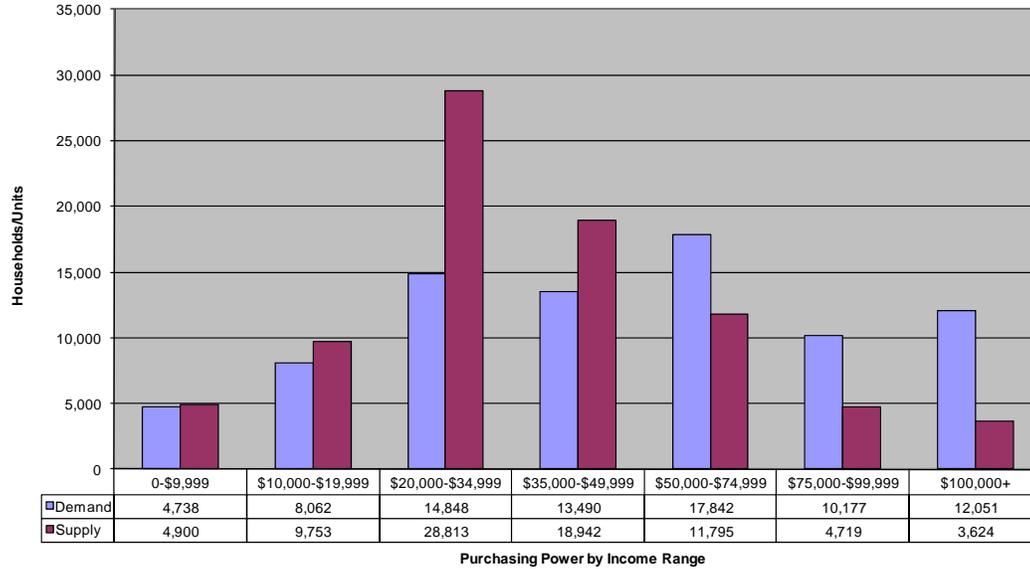
The graph below takes into account all housing units affordable by each income category in 2000. In this graph, the term demand represents the numbers of households at each income level shown (\$0-\$9,999, \$10,000-\$19,999, etc.). The term supply represents all housing units—that is, rented and owned, occupied and vacant—valued at appropriate affordability for each income level.

⁴ Realtor.com, accessed 10/2/09

⁵ Calculated from 2008 American Community Survey data.

Figure 11: Households By Purchasing Power versus All Units by Income Range (2000)

Households by Purchasing Power Range versus All Units by Income Range* (2000)



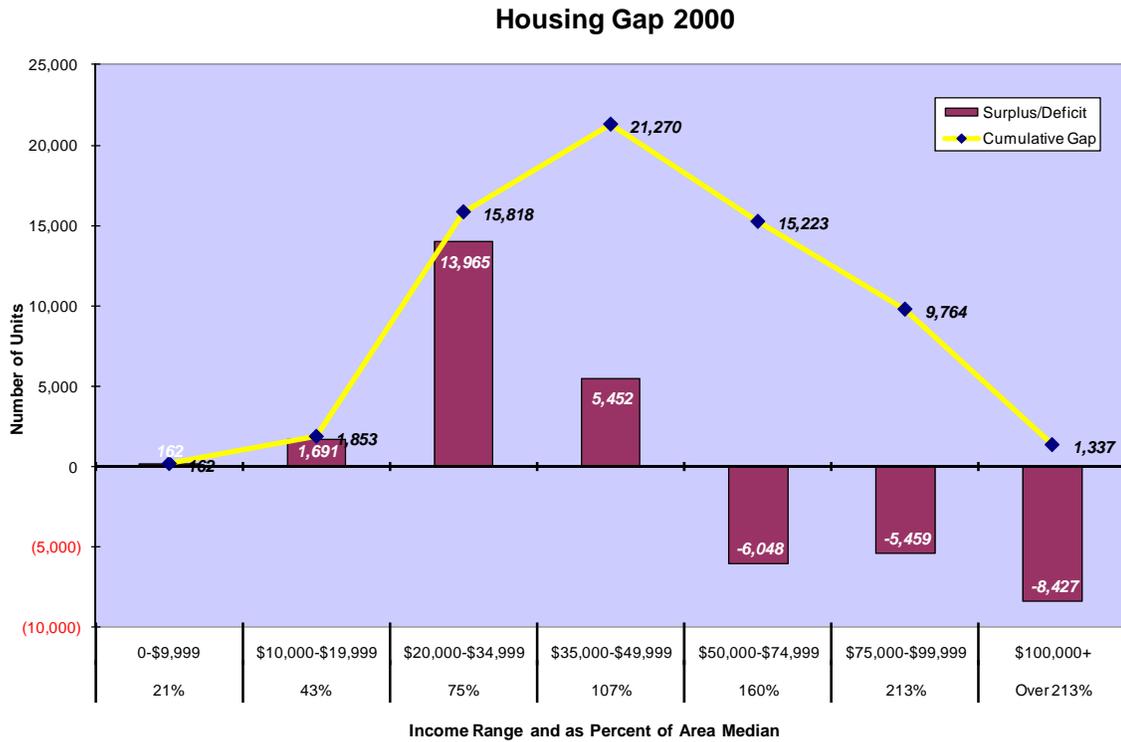
Source: Census 2000 (STF 3)

* for all households

In 2000, there was a high supply of units affordable to those below the area’s median income level (\$57,352), including for those at the very lowest range. The high demand that continues into the higher income levels indicates that higher-income households may seek higher-cost housing if it were available. Without such a supply, these households purchase homes below their affordability levels, causing them to compete for housing with those at lower income levels.

The following graph shows the gap between the supply and demand of housing units at each income level in 2000. For example, the demand of 4,738 units and supply of 4,900 creates a gap of 988 units (see graph and table above). In other words, there were 988 more units available to households earning up to \$9,999 annually than there were households in this income category.

Figure 12: Housing Gap 2000



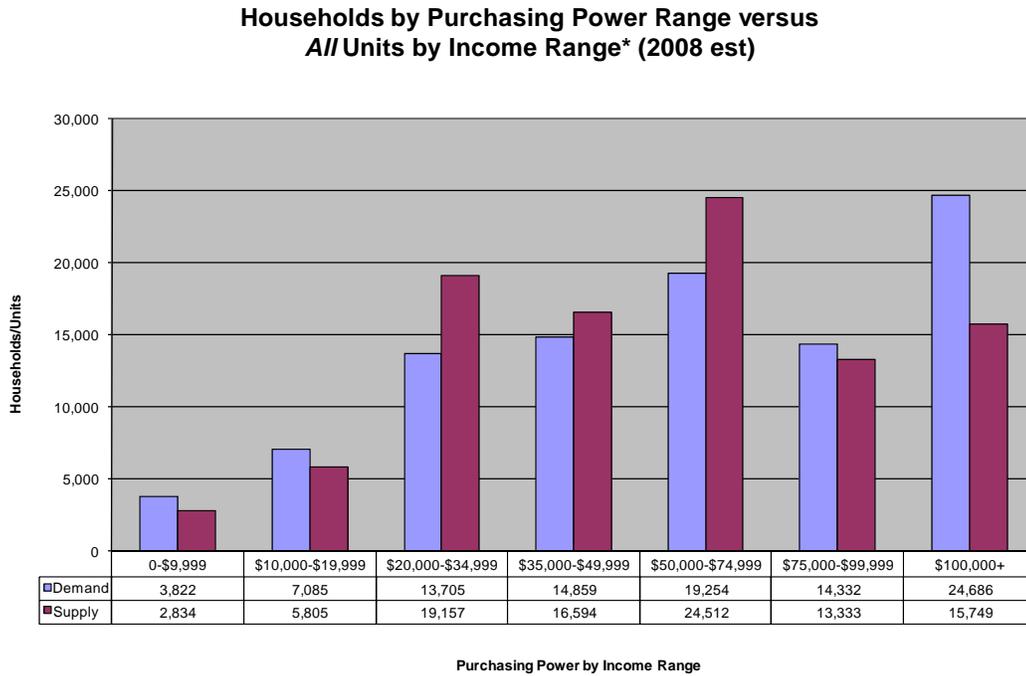
Source: Census 2000 (STF 3)

At the next level, the demand of 8,062 units and supply of 9,753 creates a gap of 1,280 units in excess of the demand. This surplus is increased by the overstock of 988 units at the previous level, offering an ample pool of housing to households of a wide range of income levels below the median.

A review of the cumulative housing supply and demand (yellow line) shows that there was ample housing for all households, and a cumulative surplus of 1,337 units (as of the 2000 Census). This surplus indicates that there were sufficient units for all households to live in housing at or below their affordability levels.

Estimates from the 2008 American Community Survey suggest the shifts as illustrated in the following graphs. Housing availability appears to have improved somewhat at the middle-income levels, but is still falling short of demand at the higher levels and now no longer meets demand at the lowest levels.

**Figure 13: Households By Purchasing Power Range
All Units By Income Range (2008 est.)**



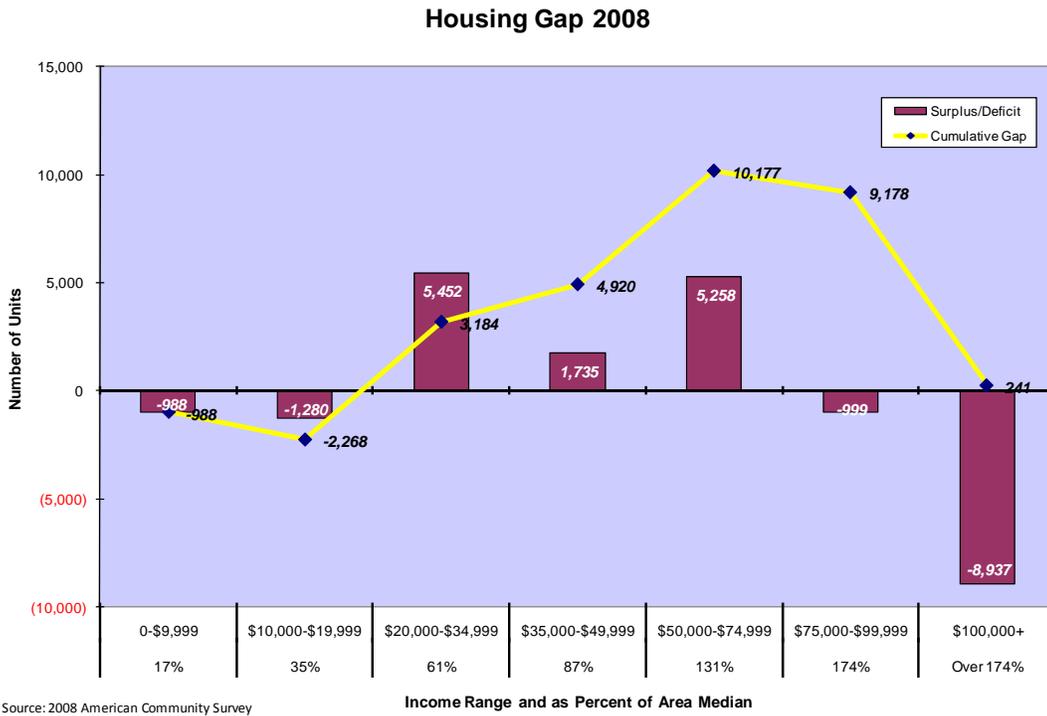
Source: 2008 American Community Survey

* for all households

The demand for 3,822 units and supply of 2,834 at the lowest level reveals a shortage of 988 units. Important to note is that a home priced at less than \$10,000 in 2000 was available to households earning up to 21 percent of the area’s median income. By 2008, this home was available to those earning up to just 17 percent of the area’s median income. Because the price of the home is held constant against a rising median income, the affordability measure decreases, and thus does the available pool of housing.

At the next price point, the demand for 7,085 units and supply of 5,805 units further exacerbates the overall lack of housing units for the lowest-income earners. Ultimately, Knox County appears to have an estimated net surplus of 241 housing units. The low availability of stock for the highest earners illustrates that these households compete with lower earners for housing priced near the median.

Figure 14: Housing Gap 2008



Public Housing Strategy (91.210)

1. Describe the public housing agency's strategy to serve the needs of extremely low-income, low-income, and moderate-income families residing in the jurisdiction served by the public housing agency (including families on the public housing and section 8 tenant-based waiting list), the public housing agency's strategy for addressing the revitalization and restoration needs of public housing projects within the jurisdiction and improving the management and operation of such public housing, and the public housing agency's strategy for improving the living environment of extremely low-income, low-income, and moderate families residing in public housing.
2. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake to encourage public housing residents to become more involved in management and participate in homeownership. (NAHA Sec. 105 (b)(11) and (91.215 (k)).
3. 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. (NAHA Sec. 105 (g))

3-5 Year Strategic Plan Public Housing Strategy response:

Public Housing Strategy 2010-2015

Revitalization Strategy

Two agencies provide public or assisted housing in Knox County. The Tennessee Housing Development Authority (THDA) and Knoxville Community Development Corporation (KCDC). In November 2009 the Knox County Housing Authority ("KCHA") operations were merged with the Knoxville Community Development Corporation ("KCDC"), which will carry out KCHA's previous functions.

KCDC provides assistance to households through two main programs, Section 8 and development of housing for low-income households. They manage 195 units of public housing and 562 Section 8 housing vouchers including twenty-five Section 8 Housing Choice Vouchers. Chartered under Tennessee law, the Mayor of Knoxville appoints individuals to serve on KCDC's 7-person Board of Commissioners for staggered, 5-year terms. KCDC's budget is independent of the County and funded almost entirely by the U.S. Department of Housing and Urban development.

KCDC annually receives Federal funds to modernize and repair public housing units. Previously, the Knox County Housing Authority was responsible for two public housing facilities in Knox County and for renovations that largely included replacing floor tile, kitchen cabinets, all countertops, water heaters, and bathroom renovations and painting. The Authority had a replacement cycle on all appliances and has installed roofs, A/C siding, and security doors on much of the stock during the past several years.

Homeownership

KCDC continues to work closely with the Knoxville Housing Partnership in support of homeownership. Knox County will continue working with KCDC to help them achieve the

goals and objectives in its strategic plan, that are consistent with the goals and objectives of Knox County's Consolidated Plan. KCNCD consults with these organizations as part of its Consolidated Planning process.

Performance

Prior to merging with KCDC, The Knox County Housing Authority was listed as a "troubled agency" and had adopted maintenance and management objectives to address deficiencies.

Barriers to Affordable Housing (91.210 (e) and 91.215 (f))

1. Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, particularly those of the local jurisdiction. Such policies include tax policy affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.
2. Describe the strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing, except that, if a State requires a unit of general local government to submit a regulatory barrier assessment that is substantially equivalent to the information required under this part, as determined by HUD, the unit of general local government may submit that assessment to HUD and it shall be considered to have complied with this requirement.

3-5 Year Strategic Plan Barriers to Affordable Housing response:

Barriers to Affordable Housing 2010-2015

Local Issues

The County has identified several barriers that impede efforts to develop affordable housing or that make decent, safe and sanitary housing unobtainable by lower income families in the Region. Financial barriers to affordable housing exist for both homeowners and renters. Many low- and moderate-income families do not have the cash needed for down payment and closing costs for the purchase of a home. Coupled with poor credit histories, these households have difficulty acquiring housing. Many low- and moderate-income households lack the education and job skills necessary to obtain adequate housing. In addition, first time homebuyers may not fully understand the home buying and lending process, making them less willing or ready to enter into homeownership. For lower income renters, a lack of available affordable and safe housing for families is a significant barrier. Renters also suffer from a lack of understanding of the laws and requirements of the landlord tenant relationship.

Strategy

The Consolidated and Annual Action Plans must also describe the County's proposed actions for the coming program year to overcome barriers to affordable housing. Two of the most prevalent barriers to 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. KCNCD's subsidy of affordable housing opportunities and rental units helps overcome these barriers.

Homeless

Homeless Needs (91.205 (b) and 91.215 (c))

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

1. Homeless Needs— The jurisdiction must provide a concise summary of the nature and extent of homelessness in the jurisdiction, (including rural homelessness and chronic homelessness where applicable), addressing separately the need for facilities and services for homeless persons and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with Table 1A. The summary must include the characteristics and needs of low-income individuals and children, (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered. In addition, to the extent information is available; the plan must include a description of the nature and extent of homelessness by racial and ethnic group. A quantitative analysis is not required. If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates.

3-5 Year Strategic Plan Homeless Needs response:

Homeless Needs 2010-2015

This section examines the needs of homeless people and discusses the Continuum of Care approach for addressing those needs. It ends with an explanation of the County's 5-year strategy for helping the homeless.

Homeless Needs Analysis

The Knoxville/ Knox County Homeless Coalition is the lead organization for the Knoxville/Knox County Continuum of Care. The Coalition is an all-volunteer organization with no paid staff. Membership consists of representatives of social services and government agencies, housing providers, community advocates, faith-based organizations, homeless and formerly homeless individuals. Members are actively recruited by the coalition to ensure proper representation by all stakeholders in an effort to end homelessness in our community.

The Coalition meets on a monthly basis to discuss service priorities, regional challenges and coordination of efforts. This body is responsible for the implementation of the Continuum of Care's HMIS, either through direct oversight or through the designation of an HMIS implementing agency. This group may be the CoC Lead Agency or may authorize another entity to be the CoC Lead Agency under its direction. The Coalition is also responsible for the overall planning effort for the entire CoC, as well as, project monitoring, determining project priorities, and providing final approval for the CoC application.

The Coalition sponsors a study of homeless in Knoxville every two years to provide crucial information on the characteristics of and needs of the homeless population in Knox County. This survey is conducted by Dr. Roger Nooe of the University of

Tennessee’s College of Social Work, the most recent biannual survey was conducted in 2009, with the next one planned for 2010. Each study includes results from the annual census of individuals staying in shelters, interviews with homeless persons in shelters and outside locations, and surveys of professionals who work directly with the homeless. The studies also include current point-in-time data for the count of both persons and supportive service slots.

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 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.

The Coalition will continue its point-in-time survey 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.

Table 9: Homeless Needs Table Part 1				
Indicate date of last point-in-time count:		01/29/09		
Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional	Unsheltered	
1. Number of Households with Dependent Children:	12	30	3	45
1a. Total Number of Persons in these Households (adults and children)*	43	82	9	134
2. Number of Households without Dependent Children	418	299	108	825
2a. Total Number of Persons in these Households	418	299	108	825
Total Persons (Add Lines 1a and 2a):	461	381	117	959

Table 10: Homeless Needs Table Part 2			
Part 2: Homeless Subpopulations	Sheltered	Unsheltered	Total
(Adults only, except g. below)			
a. Chronically Homeless	190	60	250
b. Severely Mentally Ill	267	0	267
c. Chronic Substance Abuse	228	0	228
d. Veterans	56	0	56
e. Persons with HIV/AIDS	52	0	52
f. Victims of Domestic Violence	48	0	48
g. Unaccompanied Youth (Under 18)	3	0	3

This chart is taken directly from Exhibit 1 of the Continuum of Care grant and shows the results of the homeless census conducted on 01/29/2009 for Knox County Tennessee⁶.

The 2009 Homeless census was conducted using a survey instrument which was sent to area shelter and housing providers. While all shelters provided population data, some were unable to report subpopulation data because of a lack of reliable data. Continued improvements in HMIS usage will largely resolve this issue for the 2010 count.

Trends and Issues

The latest biannual study reveals important findings regarding the county’s homeless:

Economic Conditions were beginning to have an effect on homeless numbers, reflected by a slight increase in our PIT count.

Cold temperatures may have influenced the numbers reported in emergency shelters, with more coming inside using overflow beds and fewer remaining outside.

The Knoxville/Knox County Homeless Coalition utilizes figures from both homeless surveys and bi-annual street counts to identify and analyze unmet needs in the community.

⁶ 2009 Figures include information received from ISD Homeless Liaisons

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:

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.

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.

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:

- Coordinated case management
- Outreach and engagement
- Single point entry into the service system
- Designated agency function coordination and specialization of the major shelters and services

Increase economic opportunities: Lack of employment, income, and economic opportunities 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.

Implement new data collection methods: Through 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.

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.

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.

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.

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 is critical to utilize strategies that have been demonstrated to be effective.

Priority Homeless Needs

1. Using the results of the Continuum of Care planning process, identify the jurisdiction's homeless and homeless prevention priorities specified in Table 1A, the Homeless and Special Needs Populations Chart. The description of the jurisdiction's choice of priority needs and allocation priorities must be based on reliable data meeting HUD standards and should reflect the required consultation with homeless assistance providers, homeless persons, and other concerned citizens regarding the needs of homeless families with children and individuals. The jurisdiction must provide an analysis of how the needs of each category of residents provided the basis for determining the relative priority of each priority homeless need category. A separate brief narrative should be directed to addressing gaps in services and housing for the sheltered and unsheltered chronic homeless.
2. A community should give a high priority to chronically homeless persons, where the jurisdiction identifies sheltered and unsheltered chronic homeless persons in its Homeless Needs Table - Homeless Populations and Subpopulations.

3-5 Year Strategic Plan Priority Homeless Needs response:

Priority Homeless Needs 2010-2015

Priority Homeless and Special Needs

In coordination with the Ten Year Plan office the CoC is working to make available additional units of permanent supportive housing in this community.

This requires not only the development of additional housing units, but also the provision of professional case management and other supportive services. In addition, the CoC will encourage the providers to review their individual programs to assure that they are focused on permanent housing placement as a key outcome.

Homeless Inventory (91.210 (c))

The jurisdiction shall provide a concise summary of the existing facilities and services (including a brief inventory) that assist homeless persons and families with children and subpopulations identified in Table 1A. These include outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, access to permanent housing, and activities to prevent low-income individuals and families with children (especially extremely low-income) from becoming homeless. The jurisdiction can use the optional Continuum of Care Housing Activity Chart and Service Activity Chart to meet this requirement.

3-5 Year Strategic Plan Homeless Inventory response:

Homeless Inventory 2010-2015

Homeless Strategic Plan (91.215 (c))

1. Homelessness— Describe the jurisdiction's strategy for developing a system to address homelessness and the priority needs of homeless persons and families (including the subpopulations identified in the needs section). The jurisdiction's strategy must consider the housing and supportive services needed in each stage of the process which includes preventing homelessness, outreach/assessment, emergency shelters and services, transitional housing, and helping homeless persons (especially any persons that are chronically homeless) make the transition to permanent housing and independent living. The jurisdiction must also describe its strategy for helping extremely low- and low-income individuals and families who are at imminent risk of becoming homeless.
2. Chronic homelessness—Describe the jurisdiction's strategy for eliminating chronic homelessness by 2012. This should include the strategy for helping homeless persons make the transition to permanent housing and independent living. This strategy should, to the maximum extent feasible, be coordinated with the strategy presented Exhibit 1 of the Continuum of Care (CoC) application and any other strategy or plan to eliminate chronic homelessness. Also describe, in a narrative, relationships and efforts to coordinate the Conplan, CoC, and any other strategy or plan to address chronic homelessness.
3. Homelessness Prevention—Describe the jurisdiction's strategy to help prevent homelessness for individuals and families with children who are at imminent risk of becoming homeless.
4. Institutional Structure—Briefly describe the institutional structure, including private industry, non-profit organizations, and public institutions, through which the jurisdiction will carry out its homelessness strategy.
5. Discharge Coordination Policy—Every jurisdiction receiving McKinney-Vento Homeless Assistance Act Emergency Shelter Grant (ESG), Supportive Housing,

Shelter Plus Care, or Section 8 SRO Program funds must develop and implement a Discharge Coordination Policy, to the maximum extent practicable. Such a policy should include "policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons." The jurisdiction should describe its planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how the community will move toward such a policy.

3-5 Year Homeless Strategic Plan response:

Homeless Strategic Plan 2010-2015

Homelessness

The Ten Year Plan office and its development partner, Southeastern Housing Foundation, are carrying out the housing development strategies outlined in the Knoxville-Knox County Ten Year Plan to End Chronic Homelessness. Grants, tax credits and other funding sources are being identified to support the creation of continued development of permanent supportive housing for the chronically homeless.

A variety of sites are currently at various stages in the pipeline for the creation of this housing. As new units come online, work will continue in order to bring online the Ten Year Plan's target of at least 500 units of permanent supportive housing.

Chronic homelessness

A multi-agency, multi-disciplinary task force meets on a bi-weekly basis to identify the most vulnerable of the street homeless, establish a lead case manager, and coordinate engagement. This task force has had significant success in housing long-term chronically homeless individuals through this process.

In coordination with the Ten Year Plan office, the Volunteer Ministry Center provides outreach and case management targeted for unsheltered chronically homeless individuals, with a goal of engagement and placement into permanent supportive housing under the "housing first" model.

Volunteer Ministry Center and Southeastern Housing Foundation (SHF) will complete rehab/construction of 57 units of new Permanent Supportive Housing (PSH) for the chronically homeless at Minvilla Manor. SHF will continue the pre-development process for rehabilitation of 48 units of PSH at the old Flenniken school building. Site selection and predevelopment work will also be underway within the next twelve months for an estimated additional 72 units of PSH.

The CoC is cooperating with Ten Year Plan office and Southeastern Housing Foundation to carry out these development efforts. As these site-specific developments continue, agencies such as VMC will be placing CH individuals in whatever affordable housing units can be found, where they will continue to receive case management services, effectively creating scattered- site PSH throughout the community.

Homelessness Prevention

Work will continue to connect people with income sources, whether that means use of the SOAR program to enroll eligible individuals for disability benefits or training and employment services to help people find appropriate full or part-time employment. It is important to note that current high unemployment rates create a very difficult and competitive market for homeless individuals, many of whom have limited skills and spotty work histories. As such, the 12-month goal has been adjusted to account for that challenge. We hope nonetheless to continue to exceed the 20 percent goal under the CoC.

The CoC will continue efforts such as the Salvation Army's Operation Bootstrap, and Knox Area Rescue Ministry's culinary training programs to provide training, education, and employment assistance, with the objective of helping homeless individuals achieve at the highest level possible. Employment will continue to be a key component of reintegration into the community as more homeless individuals and families become housed.

Table 11				
Institutional Structure				
Lakeshore Mental Health Institute	Public Sector	State	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
Tenn. Dept. of Mental Health and Developmental ...	Public Sector	State	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
City of Knoxville Community Development	Public Sector	Local	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
Knox County Department of Community Development	Public Sector	Local	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
Knox County Public Library	Public Sector	Local	Primary Decision Making Group, Committee/Sub-committee/Wo ...	NONE
Knox County Health Department	Public Sector	Local	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
Knoxville-Knox County Community Action Committee	Public Sector	Local	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Knox County Public Defender's Office	Public Sector	Local	Primary Decision Making Group, Attend 1 O-year planning me ...	NONE
Knoxville City Council	Public Sector	Local	Attend Consolidated Plan planning meetings during past 12 ...	NONE
Mayors' Office of the Ten Year Plan to End Chronic Homelessness	Public Sector	Local	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
University of Tennessee College of Social Work	Public Sector	School	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
University of Tennessee Child Support, Employme ...	Public Sector	School	Primary Decision Making Group, Committee/Sub-committee/Wo ...	NONE
Knox County Public Schools	Public Sector	School	Primary Decision Making Group, Committee/Sub-committee/Wo ... Primary Decision Making Group,	Youth
Pellissippi State Technical Community College	Public Sector	Local	Committee/Sub-committee/Wo ...	NONE
CAC Office on Aging	Public Sector	Local	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
Knoxville Area Urban League	Private Sector	Non-program	Attend Consolidated Plan planning meetings during past 12 ...	NONE
US Veterans Administration	Public Sector	Other	Primary Decision Making Group	Veterans

The organizations below are the partners in the Knoxville-Knox County Continuum.

US Department of HUD	Public Sector	Other	Attend Consolidated Plan planning meetings during past 12...	NONE
Child and Family Tennessee	Private Sector	Non-Profit	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Knoxville Police Department	Public Sector	Law Enforce	Attend 10-year planning meetings during past 12 months, C ...	NONE
Parkridge Harbor/Positively Living	Private Sector	Non-profit	Primary Decision Making Group, Attend Consolidated Plan p ...	Substance Abuse
STEPS Housie	Private Sector	Non-profit	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Veterans, Su ...
Volunteers of America	Private Sector	Non-profit	Primary Decision Making Group, Attend Consolidated Plan p ...	Veterans
Compassion Coalition	Private Sector	Faith-based	Attend 1 O-year planning meetings during past 12 months, C ...	NONE
Catholic Charities, Inc.	Private Sector	Faith-based	Attend Consolidated Plan planning meetings during past 12 ...	NONE
The Salvation Army	Private Sector	Faith-based	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Knox Area Rescue Ministries	Private Sector	Faith-based	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Volunteer Ministry Center	Private Sector	Faith-based	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Family Promise	Private Sector	Faith-based	Primary Decision Making Group, Committee/Sub-committee/Wo ...	NONE
Lost Sheep Ministry	Private Sector	Faith-based	Committee/Sub-committee/Work Group	NONE
St John's Lutheran Church	Private Sector	Faith-based	Committee/Sub-committee/Work Group	NONE
First Baptist Church	Private Sector	Faith-based	Committee/Sub-committee/Work Group	NONE
YWCA	Private Sector	Faith-based	Primary Decision Making Group, Attend Consolidated Plan p ...	Domestic Violence
United Way of Greater Knoxville	Private Sector	Funder	Committee/Sub-committee/Work Group	NONE
National Alliance for the Mentally Ill	Private Sector	Funder	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
Mental Health Association of East Tennessee	Private Sector	Funder	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
Denark Construction, Inc.	Private Sector	Busines ses	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE

(continued)

Helen Ross McNabb Center	Private Sector	Hospital	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Knoxville Area Transit	Public Sector	Local g ...	Primary Decision Making Group, Committee/Sub-committee/Wo ...	NONE
Cherokee Health Systems	Private Sector	Hospital	Primary Decision Making Group, Attend Consolidated Plan p ...	Seriously Mentally Handicapped
Ridgeview Mental Health	Private Sector	Hospital	Primary Decision Making Group, Committee/Sub-committee/Wo ...	Seriously Mentally Handicapped
Peninsula Hospital	Private Sector	Hospital	Com m ittee/Sub-com m ittee/Work Group	Seriously Mentally Handicapped
Knoxville Leadership Foundation	Private Sector	Faith-based	Attend Consolidated Plan planning meetings during past 12 ...	NONE
Legal Aid of East Tennessee	Private Sector	Non-profit	Primary Decision Making Group, Attend Consolidated Plan p ...	NONE
Southeastern Housing Foundation	Private Sector	Non-profit	Attend Consolidated Plan planning meetings during past 12 ...	Seriously Mentally Handicapped
Knoxville Academy of Medicine	Private Sector	Non-profit	Primary Decision Making Group	NONE
Knox County Sheriff's Office	Public Sector	Law enforcement	Primary Decision Making Group	Seriously Mentally Handicapped
The Next Door	Private Sector	Faith-based	Primary Decision Making Group	NONE
Water Angels Ministries	Private Sector	Faith-based	Primary Decision Making Group	NONE
Highways and Byways Ministry	Private Sector	Faith-based	Primary Decision Making Group	NONE

Discharge Coordination Policy

Foster Care:

The Tennessee Department of Children's Services includes protocols for discharge planning for children aging out of foster care. Practical experience indicates that these efforts at placement are often unsuccessful, either at discharge or at some point soon after. Efforts are being made to address this issue through encouraging the state interagency council on homelessness to address the issue as part of the development of a state ten-year homeless plan. Although the system currently falls short of the goal of zero discharges of youth into homelessness or McKinney-Vento funded housing, there are no McKinney-Vento funded projects that intentionally or specifically target discharged individuals as clients. The Ten Year Plan Office and the local Homeless Coalition are actively seeking to develop an improved discharge process over the coming year.

Health Care:

Currently there is no formal protocol for discharge planning for homeless individuals in the local health care system. Informally, some hospitals will attempt to locate housing, will attempt to contact homeless service providers to make arrangements, or will release individuals with no housing plan at all. Improvements in discharge planning is a key point of the local Ten Year Plan, and discussions with local hospitals are planned or are underway to address discharge planning as well as the cost savings to hospitals that can be achieved if they support housing and services organized under the structure and guidance of the Ten Year Plan. There are no McKinney-Vento funded projects that intentionally or specifically seek to serve as an acceptable housing option for patients discharged from the health care system.

Mental Health:

The Tennessee Department of Mental Health and Developmental Disabilities includes a protocol for discharge planning from its regional mental health institutes. Efforts are made at the institutions to locate appropriate housing for patients prior to discharge. Demand for treatment exceeds resources and local research as well as practical experience indicates that these efforts at housing placement are often unsuccessful. Work is underway locally to improve communication and understanding between discharging agencies and local homeless service agencies to improve the discharge planning process. Although the system currently falls short of the goal of zero discharges of patients into homelessness or McKinney-Vento funded housing, there are no McKinney-Vento funded projects that intentionally or specifically target discharged individuals as clients.

Corrections:

The Tennessee Department of Corrections includes pre-release programs that include a housing plan. The Federal Bureau of Prisons also includes prerelease programs that include housing education and assistance. Practical experience indicates limited success with these programs. Short-term incarceration in local jails often leaves insufficient time for the development of a housing placement program. Releases of sex-offenders pose an especially significant challenge, with street homelessness frequently being the result. Work is underway locally to develop during the coming year pre-and post adjudication jail diversion programs to better address the issues of mental illness and addiction as affected individuals interface with the criminal justice system. Jail diversion would include housing and treatment to break the cycle of homelessness and incarceration. Although the system currently falls short of the goal of zero releases into homelessness or McKinney-Vento funded housing, there are no McKinney-Vento funded projects that intentionally or specifically target discharged individuals as clients.

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.

3-5 Year Strategic Plan ESG response:

Emergency Shelter Grants (ESG) 2010-2015

N/A

Community Development

Community Development (91.215 (e))

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

1. 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), – i.e., public facilities, public improvements, public services and economic development.
2. Describe the basis for assigning the priority given to each category of priority needs.
3. Identify any obstacles to meeting underserved needs.
4. 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.

3-5 Year Strategic Plan Community Development response:

Community Development 2010-2015

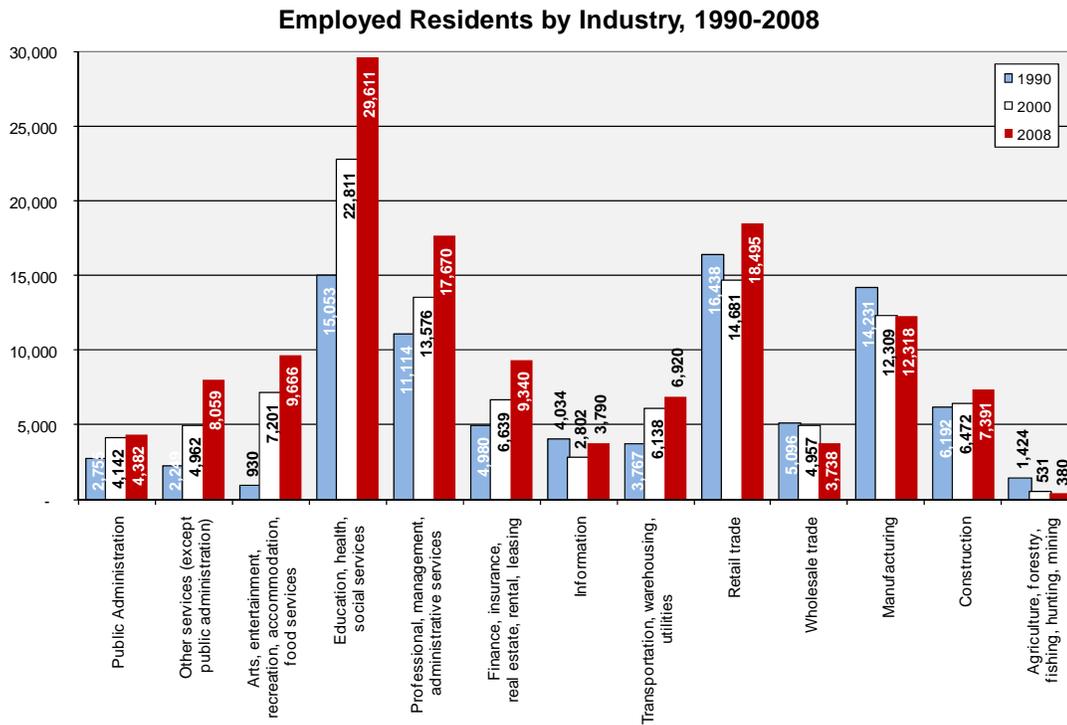
Non Housing Community Development Needs

From 1990 to 2000, the labor force of Knox County rose from 133,111 to 163,297— an increase of 22.7 percent, which represents less than a one-point differential in comparison to the increase in the local population (which grew by 22.1 percent during this same period), suggesting that employment in the area kept in step with the population. In 2008, the labor force numbered 197,188, an additional 20.8 percent increase over 2000. At the same time, the population increased by 19.9 percent. Together, the slightly slower increase in the population than in the labor force suggests continued employment stability for residents of Knox County.

The chart below provides a breakdown of the labor force by industry. Eighteen years ago, the top four industries in Knox County were Retail trade (18.6 percent), Education, health and social services (17.1), Manufacturing (16.1), and Professional, management and administrative services (12.6). These same four sectors remained strong through 2008. By 2000, Education, health and social services shifted from second position to first, employing 21.3 percent of the workforce, and remained first in 2008, employing 27.6 percent. At the same time, Retail shifted to second position, employing 13.7 percent of the workforce in 2000, and 17.2 percent in 2008. Manufacturing, slipped to fourth position, employing 11.5 percent of the workforce in both 2000 and 2008. Professional, management and administrative services, rose from fourth position to third in 2000, when this industry employed 12.7 percent of the workforce, rising again to 16.5 percent in 2008.

In 1990, Construction was the fifth largest industry in Knox County, employing 7.0 percent of the workforce. While this rate has not changed significantly since then, (6.0 in 2000 and 6.9 in 2008), the industry has been superseded by the rise of the Arts, entertainment, recreation, accommodation and food services industry, which employed just 1.1 percent of the workforce in 1990. This industry rose to the fifth largest by 2000, employing 6.7 percent of the workforce, and 9.0 percent by 2008.

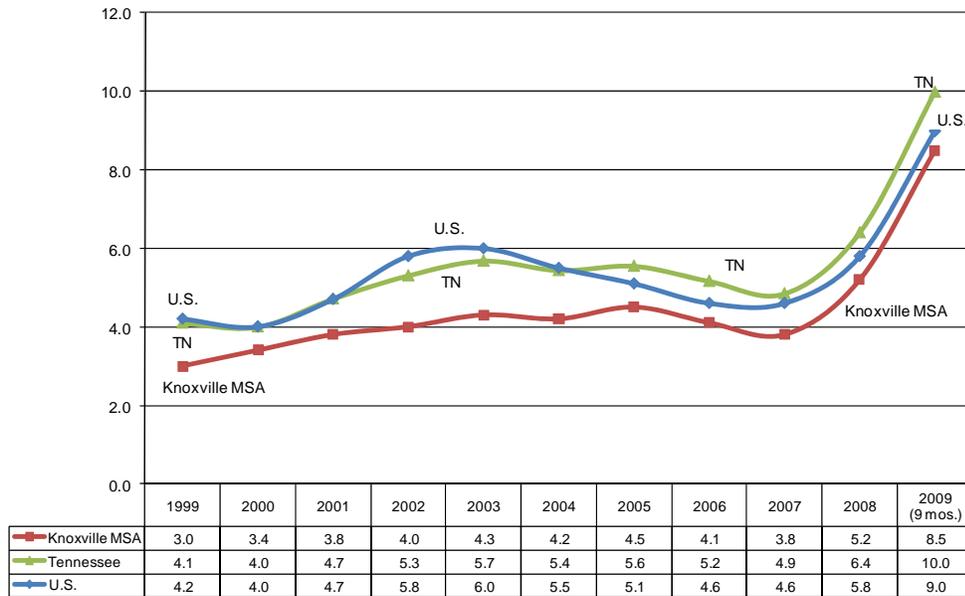
Figure 15: Employed Residents By Industry 1990-2008



Unemployment data for the Knoxville Metropolitan Statistical Area (MSA) are used in this graph as a substitute for Knox County, as Unemployment data are not available at the county level. Since 1999, unemployment in the MSA has been below that of both the State of Tennessee and nationwide. While national unemployment has now risen to

nearly meet that of the state, residents of the MSA appear to have been somewhat sheltered from the effects. Still, the trends mirror those of the state, and the effects of climbing unemployment cannot be minimized. The annual rates for the last ten years are illustrated in the graph below and the accompanying table.

Figure 16: Unemployment History
Unemployment Rate History

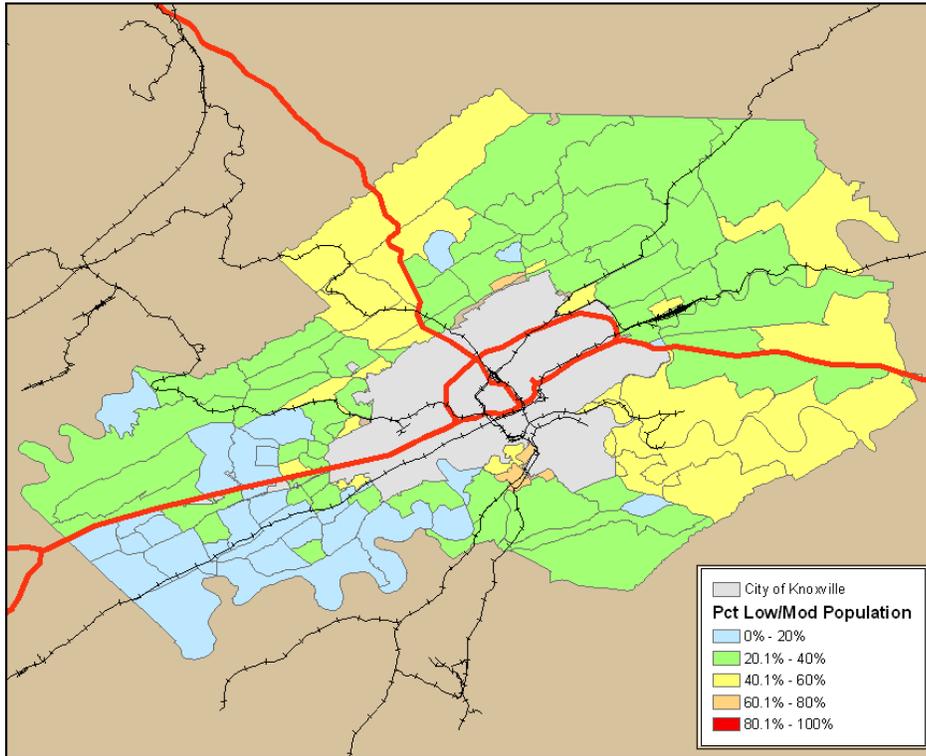


Source: Decennial Census (1990, 2000), 2008 ACS, Bureau of Labor Statistics

Households earning less than 30 percent of the area’s median income are considered Very Low Income, those earning 31 percent to 50 percent are Low Income, and those earning from 51 percent to 80 percent are Moderate Income. The blue areas in the map below indicate areas where fewer than 20 percent of the households earn less than 80 percent of the area’s median income. There are no areas in the county where between 81 and 100 percent of the households are within this income range.⁷ Within Knox County, there are just four such block groups where between 60.1 and 80 percent of the population earn less than 80 percent of the area’s median income. Three of these (0024.00-1, 0024.00-1 and 0035.00-4) are located south of the City of Knoxville and are partially located within the city. The fourth (0062-04.3) is located just north of but completely outside the City limits.

⁷ HUD FY 2009 Low and Moderate Summary Income Data, based on Census 2000

Figure 17: Distribution of Low Moderate Income Populations



Community Development Needs Knox County Neighborhoods and Community Development		Needs	Current	Gap	Priority Need: H, M, L	Dollars to Address	2010-2015 Plan to Fund? Y/N	Fund Source
01 Acquisition of Real Property 570.201(a)		0	0	0		0	N	
02 Disposition 570.201(b)		0	0	0		0	N	
Public Facilities and Improvements	03 Public Facilities and Improvements (General) 570.201(c)	0	0	0		0	N	
	03A Senior Centers 570.201(c)	0	0	0		0	N	
	03B Handicapped Centers 570.201(c)	0	0	0		0	N	
	03C Homeless Facilities (not operating costs) 570.201(c)	0	0	0		0	N	
	03D Youth Centers 570.201(c)	0	0	0		0	N	
	03E Neighborhood Facilities 570.201(c)	0	0	0		0	N	
	03F Parks, Recreational Facilities 570.201(c)	0	0	0		0	N	
	03G Parking Facilities 570.201(c)	0	0	0		0	N	
	03H Solid Waste Disposal Improvements 570.201(c)	0	0	0		0	N	
	03I Flood Drain Improvements 570.201(c)	0	0	0		0	N	
	03J Water/Sewer Improvements 570.201(c)	0	0	0		0	N	
	03K Street Improvements 570.201(c)	0	0	0		0	N	
	03L Sidewalks 570.201(c)	0	0	0		0	N	
	03M Child Care Centers 570.201(c)	0	0	0		0	N	
	03N Tree Planting 570.201(c)	0	0	0		0	N	
	03O Fire Stations/Equipment 570.201(c)	0	0	0		0	N	
	03P Health Facilities 570.201(c)	0	0	0		0	N	
	03Q Abused and Neglected Children Facilities 570.201(c)	0	0	0		0	N	
03R Asbestos Removal 570.201(c)	0	0	0		0	N		
03S Facilities for AIDS Patients (not operating costs) 570.201(c)	0	0	0		0	N		
03T Operating Costs of Homeless/AIDS Patients Programs	0	0	0		0	N		
04 Clearance and Demolition 570.201(d)		0	0	0		0	N	
04A Clean-up of Contaminated Sites 570.201(d)		0	0	0		0	N	
Public Services	05 Public Services (General) 570.201(e)	770,000	770,000	0	H	770,000	Y	CDBG
	05A Senior Services 570.201(e)	0	0	0		0	N	
	05B Handicapped Services 570.201(e)	0	0	0		0	N	
	05C Legal Services 570.201(E)	0	0	0		0	N	
	05D Youth Services 570.201(e)	0	0	0		0	N	
	05E Transportation Services 570.201(e)	0	0	0		0	N	
	05F Substance Abuse Services 570.201(e)	0	0	0		0	N	
	05G Battered and Abused Spouses 570.201(e)	0	0	0		0	N	
	05H Employment Training 570.201(e)	0	0	0		0	N	
	05I Crime Awareness 570.201(e)	0	0	0		0	N	
	05J Fair Housing Activities (if CDBG, then subject to 570.201(e))	0	0	0		0	N	
	05K Tenant/Landlord Counseling 570.201(e)	0	0	0		0	N	
	05L Child Care Services 570.201(e)	0	0	0		0	N	
	05M Health Services 570.201(e)	0	0	0		0	N	
	05N Abused and Neglected Children 570.201(e)	0	0	0		0	N	
05O Mental Health Services 570.201(e)	0	0	0		0	N		
05P Screening for Lead-Based Paint/Lead Hazards Poison 570.201(e)	0	0	0		0	N		
05Q Subsistence Payments 570.204	0	0	0		0	N		
05R Homeownership Assistance (not direct) 570.204	0	0	0		0	N		
05S Rental Housing Subsidies (if HOME, not part of 5% 570.204	0	0	0		0	N		
05T Security Deposits (if HOME, not part of 5% Admin c	0	0	0		0	N		

06 Interim Assistance 570.201(f)	0	0	0		0	N	
07 CDBG Rental Development Competition 570.201(f)(unit)	0	0	0		0		
08 Relocation 570.201(i)	0	0	0		0	N	
09 Loss of Rental Income 570.201(j)	0	0	0		0	N	
10 Removal of Architectural Barriers 570.201(k)	0	0	0		0	N	
11 Privately Owned Utilities 570.201(l)	0	0	0		0	N	
12 Construction of Housing 570.201(m)	2,500,000	2,500,000	0	H	2,500,000	Y	HOME CDBG
13 Direct Homeownership Assistance 570.201(n)	0	0	0		0	N	
14A Rehab; Single-Unit Residential 570.202	3,000,000	3,000,000	0	H	3,000,000	Y	CDBG
14B Rehab; Multi-Unit Residential 570.202	0	0			0	N	
14C Public Housing Modernization 570.202	0	0	0		0	N	
14D Rehab; Other Publicly-Owned Residential Buildings 570.202	0	0	0		0	N	
14E Rehab; Publicly or Privately-Owned Commercial/Indu 570.202	0	0	0		0	N	
14F Energy Efficiency Improvements 570.202	0	0	0		0	N	
14G Acquisition - for Rehabilitation 570.202	0	0	0		0	N	
14H Rehabilitation Administration 570.202	0	0	0		0	N	
14I Lead-Based/Lead Hazard Test/Abate 570.202	0	0	0		0	N	
15 Code Enforcement 570.202(c)	0	0	0		0	N	
16A Residential Historic Preservation 570.202(d)	0	0	0		0	N	
16B Non-Residential Historic Preservation 570.202(d)	0	0	0		0	N	
17A CI Land Acquisition/Disposition 570.203(a)	0	0	0		0	N	
17B CI Infrastructure Development 570.203(a)	0	0	0		0	N	
17C CI Building Acquisition, Construction, Rehabilitat 570.203(a)	0	0	0		0	N	
17D Other Commercial/Industrial Improvements 570.203(a)	0	0	0		0	N	
18A ED Direct Financial Assistance to For-Profits 570.203(b)	0	0	0		0	N	
18B ED Technical Assistance 570.203(b)	0	0	0		0	N	
18C Micro-Enterprise Assistance	0	0	0		0	N	
19A HOME Admin/Planning Costs of PJ (not part of 5% Ad	220,970	220,970			220,970	Y	HOME
19B HOME CHDO Operating Costs (not part of 5% Admin ca	0	0	0		0	N	
19C CDBG Non-profit Organization Capacity Building	0	0	0		0	N	
19D CDBG Assistance to Institutes of Higher Education	0	0	0		0	N	
19E CDBG Operation and Repair of Foreclosed Property	0	0	0		0	N	
19F Planned Repayment of Section 108 Loan Principal	0	0	0		0	N	
19G Unplanned Repayment of Section 108 Loan Principal	0	0	0		0	N	
19H State CDBG Technical Assistance to Grantees	0	0	0		0	N	
20 Planning 570.205							
21A General Program Administration 570.206	1,025,800	1,025,800			1,025,800	Y	CDBG

22 Unprogrammed Funds	178,045	178,045			178,045	Y	CDBG
31J Facility based housing – development	0	0	0		0		
31K Facility based housing - Neighborhoods and Co	0	0	0		0		
31G Short term rent mortgage utility payments	0	0	0		0		
31F Tenant based rental assistance	0	0	0		0		
31E Supportive service	0	0	0		0		
31I Housing information services	0	0	0		0		
31H Resource identification	0	0	0		0		
31B Administration - grantee	0	0	0		0		
31D Administration - project sponsor	0	0	0		0		
Totals	7,338,725	7,338.725			7,338,725		CDBG/HOME

Antipoverty Strategy (91.215 (h))

1. Describe the jurisdiction's goals, programs, and policies for reducing the number of poverty level families (as defined by the Office of Management and Budget and revised annually). In consultation with other appropriate public and private agencies, (i.e. TANF agency) state how the jurisdiction's goals, programs, and policies for producing and preserving affordable housing set forth in the housing component of the consolidated plan will be coordinated with other programs and services for which the jurisdiction is responsible.
2. Identify the extent to which this strategy will reduce (or assist in reducing) the number of poverty level families, taking into consideration factors over which the jurisdiction has control.

3-5 Year Strategic Plan Antipoverty Strategy response:

Antipoverty Strategy 2010-2015

Knox County Goals, Programs, and Policies to Reduce Poverty

Knox County housing programs inherently address poverty by creating housing opportunities for low-income households. Without these housing opportunities many low-income households would not be able to afford housing rehabilitation costs or to purchase a home.

Households earning less than 30 percent of the area's median income are considered Very Low Income, those earning 31 percent to 50 percent are Low Income, and those earning from 51 percent to 80 percent are Moderate Income.

Anti-Poverty Strategy

Funding through CDBG Public Service activities of transitional housing providers through CoC nonprofit agencies, allows individuals that would normally reside in impoverished conditions the opportunity to establish themselves in order to find suitable employment. Such efforts will work to reduce the number of persons currently living in poverty.

Additionally, the Tennessee Department of Human Services administers Families First, the State's primary anti-poverty program. This time-limited, goal-oriented program provides temporary cash assistance to needy families while assisting families toward self-sufficiency through child support and work. Families First is designed to strengthen families, improve the work force, and reduce poverty.

Currently Assisted Units

Between 2005-2009, Knox County Housing Authority, in partnership with the Knoxville Housing Partnership (KHP), designated 526 Section 8 Housing Choice Vouchers. In 2009, the Authority reported three (3) housing choice vouchers were utilized during the period 2005 to 2009 to purchase homes. KHP insures applicant families have budget and credit counseling and provides both subsidized properties and direct subsidies to homebuyers participating in the Housing Choice Voucher program⁸

Rental

Rental affordability is defined by the US Department of Housing & Urban Development (HUD) as 30 percent of a family's adjusted gross income. Included in the 30 percent of income is both rent and utilities.

Existing Subsidized Units

There are a total of 704 existing subsidized rental units in Knox County outside of Knoxville, including 32 low income housing tax credit units⁹, 195 units of public housing¹⁰, 140 units of project based section 8 housing,¹¹ 321 units of Elderly 202 housing and 16 units of Disabled 811 housing¹².

Units Permitted

Between 2005 and 2009, 1,329 new rental units were permitted in Knox County, for an average of 266 units annually¹³.

Between 2005 and 2009 allocations for low-income housing tax credits in Knox County included 207 units, of which 32 new units were built and 175 units are currently under rehabilitation¹⁴.

Of the new units permitted during the period, 32, or 2.4 percent of units permitted in Knox County were assisted with low income housing tax credits.¹⁵ There are currently 175 units slated for rehabilitation utilizing low income housing tax credits¹⁶

Units Lost to Demolition, Conversion or Expiring Use

Knox County issued demolition permits between 2005 and 2009, but the data is not available in searchable form.

⁸ Knox County Housing Authority Annual Plan 2009

⁹ U.S. Department of Housing and Urban Development – Low Income Housing Tax Credit Database (<http://lihtc.huduser.org/>)

¹⁰ Knox County Housing Authority Annual Plan 2009

¹¹ U.S. Department of Housing and Urban Development – Section 8 Contract Database <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>

¹² U.S. Department of Housing and Urban Development – Section 8 Contract Database <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>

¹³ SOCDs Building Permits: http://socds.huduser.org/permits/output_monthly.odt ; includes Farragut

¹⁴ Tennessee Housing Development Agency: <http://www.thda.org/rentdev/lihtc/alloccvr.html>

¹⁵ U.S. Department of Housing and Urban Development – Low Income Housing Tax Credit Database (<http://lihtc.huduser.org/>)

¹⁶ Tennessee Housing Development Agency: <http://www.thda.org/rentdev/lihtc/alloccvr.html>

Expiring use properties in Knox County include all 146 units of project based Section 8 units. The Section 8 project based contracts are scheduled to expire in 2010. There are no Disabled 811 units expiring within the Consolidated Plan timeframe of 2010 through 2015. There are 233 Elderly 202 units expiring between 2010 and 2015.¹⁷

Fair Market Rents

The US Department of Housing and Urban Development (HUD) defines rental affordability as 30 percent of a family’s adjusted gross income. Included in the 30 percent of income are both rent and utilities. Knox County falls within the Knoxville Metropolitan Statistical Area (“MSA”).

HUD’s Fair Market Rent (“FMR”) for a two-bedroom unit is \$667 in 2009.¹⁸ At the Fair Market Rent, the housing wage in Knox County is \$12.83 an hour.¹⁹ The housing wage is 176.9 percent of the minimum wage.²⁰ This means that a full-time worker (40 hours per week) must earn \$26,680 in Knox County in order to afford a two-bedroom unit at the area’s FMR, and a worker earning the minimum wage (\$7.25 per hour) must work 21 hours per week in order to afford the unit²¹.

FMR’s have risen on average 20.3 percent during the period 2005 through 2009, for an average annual increase of 4.1 percent. Three bedroom units FMR’s have risen at the highest rate, 22 percent overall, or 4.4 percent annually.

TABLE 13
Fair Market Rents by Unit Size 2005 - 2009
Knox County

Unit Type	2005	2006	2007	2008	2009	Net Inc/Dec
Efficiency	\$ 400	\$ 411	\$ 427	\$ 457	\$ 482	20.5%
1 Bdr	\$ 461	\$ 472	\$ 491	\$ 525	\$ 554	20.2%
2 Bdr	\$ 553	\$ 569	\$ 592	\$ 633	\$ 667	20.6%
3 Bdr	\$ 733	\$ 762	\$ 793	\$ 848	\$ 894	22.0%
4 Bdr	\$ 771	\$ 787	\$ 819	\$ 875	\$ 922	19.6%
5 Bdr	\$ 887	\$ 905	\$ 942	\$ 1,006	\$ 1,060	19.5%
6 Bdr	\$ 1,002	\$ 1,023	\$ 1,065	\$ 1,138	\$ 1,199	19.7%

The Rental Affordability Index indicates all family sizes at or below 30 percent of median income in Knox County will pay more than 30 percent of their income for rent and utilities at the FMR. Two, three and four person families at or below 50 percent of median income in Knox County will also pay more than 30 percent of their income for rent at the FMR. The gap between ability to pay and the FMR is particularly acute among all family sizes at or below 30 percent of AMI.

¹⁷ U.S. Department of Housing and Urban Development – Section 8 Contract Database
<http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>

¹⁸ U.S. Department of Housing and Urban Development – HOME Program and Fair Market Rents 2009
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2009/tx.pdf>

¹⁹ The housing wage is the rate per hour required to pay the fair market rent if the rent and utilities are no greater than 30 percent of income

²⁰ Calculation: ((\$667 [fair market rent] times 12 [months]) divided by 30 [allowable housing expense] multiplied by 100 = \$26,680 (which is the income needed to support rent of \$667 a month if housing expense is 30 percent of income)) divided by((\$7.25) [Minimum wage] times 2080 [annual hours]) = \$15,080 = 176.9%

²¹ Calculation: \$667 (fair market rent) divided by \$7.25 (minimum wage) = 92 hours per month to pay rent and utilities, divided by 4.3 weeks in a month = 21.4 hours, rounded to 21 hours.

Housing Market Trends

Single Family Ownership

Units Lost to Demolition

Knox County issued demolition permits between 2005 and 2009, but the data is not available in searchable form.

Units Permitted

Between 2005 and 2009 8,773 new single-family units²² were permitted in Knox County, for an average of 1,754 units annually.²³ Single-family building permits peaked in 2005 at 2,514 annually and have declined every year since. Current data indicates only 720 permits will be issued in 2009, a drop of 71.4 percent from the peak activity of 2005.

Average Sales Price

The average sales price of single family housing sold in Knox County reached a peak in 2007 at \$170,900, up 13 percent from 2005, and has since dropped 8.1 percent from the peak to \$157,100. For the period 2005 through 2009 the overall net increase in average sales price was 3.8 percent²⁴.

Year	Average Sale Price	Average Listing Price	Median Sales Price	Average Days on the Market	Listings
2005	\$151,300	\$195,200	\$136,000	84	25,863
2006	\$162,300	\$220,600	\$144,500	83	28,843
2007	\$170,900	\$279,400	\$150,000	92	32,230
2008	\$160,200	\$239,400	\$144,900	102	29,979
2009 (3 Quarters)	\$157,100	\$175,000	\$139,900	115	21,853

Housing Affordability

There are four distinct measures of affordability in housing markets.

Affordability Index

The first measure is of the ability of a given family to afford an appropriately sized market rate unit in a given community. The measure is known as the Affordability Index. The Affordability Index establishes the affordability gap, or difference between what a family can pay and what the market indicates the family must pay on a monthly basis.

²² Single family includes both freestanding and condominiums

²³ Building Permits: http://socds.huduser.org/permits/output_monthly.odb ; includes Farragut. The final quarter of 2009 was imputed.

²⁴ Knoxville Area Association of Realtors: <http://www.kaarmls.com/> December 10th, 2009, includes Knoxville and Knox County

Family income is measured in relationship to median income and the market price of housing is based on the median size of units available at the median expected building cost. Calculations of interest rates and housing expense ratios are based on established industry norms at the time.

Affordable House Index

The second measure is the Affordable House Index. The Affordable House Index takes various income levels and derives what an affordable house would cost for that income level. The Affordable House Index permits a determination of the equity gap between a buyer's ability to pay and the market cost of the housing.

Availability Index

The third measure is the Availability Index. The Availability Index examines appropriately sized housing currently listed for sale and defines what percentage of the available housing is affordable to various income levels.

Cash-to-Close Index

The fourth measure is the Cash-to-Close Index. The Cash to Close Index defines the amount of cash needed by a given family to close the purchase of their first home. Families who must spend in excess of 35 percent of their annual income to close the purchase generally have great difficulty obtaining a home.

Taken together, these four affordability measures provide a broad and detailed synopsis of the current market in Knox County.

Affordability Index

According to the MLS listings, there are currently 2,794 three (3) bedroom properties available for sale in Knox County. Of the 2,794 three bedroom units for sale in Knox County 2,414 are single-family homes, 326 are condominiums and 54 are mobile homes²⁵. The least expensive new construction three (3) bedroom single family home built is for sale at \$179,900. The house is a 1,791 square foot, three (3) bedroom two (2) bath unit on a 100' x 152' lot. The sales price per square foot is \$100.45.

Acre lots are available in north Knox County at \$20,000, or \$0.41 a square foot. Existing units at the relevant price range are listed at an average of \$104 per square foot. Therefore, the probable new construction building cost is \$100 a square foot including land.

²⁵ MLS listings as shown on Realtor.com on December 14, 2009 for three bedroom, two bath units

Three Person Families	50%	60%	80%	100%
Annual Income	\$26,450	\$31,740	\$42,350	\$52,900
Monthly Housing Expense @ 28% of Annual Income	\$617	\$741	\$988	\$1,234
Median Building Cost at 1,450 sq ft/\$100 per sq ft	\$145,000	\$145,000	\$145,000	\$145,000
Typical Required Down Payment @ 5%	\$7,250	\$7,250	\$7,250	\$7,250
Mortgage Amount	\$137,750	\$137,750	\$137,750	\$137,750
Rate	6.5%	6.5%	6.5%	6.5%
Term	30	30	30	30
Monthly Payment	\$870.67	\$870.67	\$870.67	\$870.67
Affordability Gap	(\$253.51)	(\$130.07)	\$117.49	\$363.66
Four Person Families	50%	60%	80%	100%
Annual Income	\$29,400	\$35,280	\$47,050	\$58,800
Monthly Housing Expense @ 28% of Annual Income	\$686	\$823	\$1,098	\$1,372
Median Building Cost at 1,450 sq ft/\$100 per sq ft	\$145,000	\$145,000	\$145,000	\$145,000
Typical Required Down Payment @ 5%	\$7,250	\$7,250	\$7,250	\$7,250
Mortgage Amount	\$137,750	\$137,750	\$137,750	\$137,750
Rate	6.5%	6.5%	6.5%	6.5%
Term	30	30	30	30
Monthly Payment	\$870.67	\$870.67	\$870.67	\$870.67
Affordability Gap	(\$184.67)	(\$47.47)	\$227.16	\$501.33

At \$100 per square foot, a typical new home will have a sales price of \$145,000 for a 1,450 square foot, three-bedroom, two-bath unit. Based on 2009 median income data, three person families at or below 70.5 percent of the area median income cannot afford the typical new home and four person families at or below 63.5 percent of the area median cannot afford a typical new home.

Affordable House Index

The gap between the market price of a house and the ability of a family to pay provides a useful methodology for examining the "equity gap" that would need to be closed in order to make home ownership a reality for various family incomes. The equity gap is the difference between what the family can afford (including a 5 percent down payment) and the cost of a typical new or existing home.

TABLE 17				
Knox County Affordable House Index				
Three Person Families	60%	80%	100%	110%
Annual Income	\$31,740	\$42,350	\$52,900	\$58,190
Monthly Housing Expense @ 28% of Annual Income	\$741	\$988	\$1,234	\$1,358
Mortgage Amount	\$117,171	\$156,339	\$195,285	\$214,813
House Value Assuming 5% Down Payment	\$123,338	\$164,567	\$205,563	\$226,119
Market Price	\$145,000	\$145,000	\$145,000	\$145,000
Equity Gap	(\$21,662)	\$19,567	\$60,563	\$81,119
Four Person Families	60%	80%	100%	110%
Annual Income	\$35,280	\$47,050	\$58,800	\$64,680
Monthly Housing Expense @ 28% of Annual Income	\$823	\$1,098	\$1,372	\$1,509
Mortgage Amount	\$130,239	\$173,689	\$217,065	\$238,772
House Value Assuming 5% Down Payment	\$137,094	\$182,831	\$228,490	\$251,339
Market Price	\$145,000	\$145,000	\$145,000	\$145,000
Equity Gap	(\$7,906)	\$37,831	\$83,490	\$106,339

The Knox County market has an equity gap for three person families at or below 70.5 percent of median income and four person families at or below 65 percent of median income. All other families can borrow enough to finance a home at the current market price.

Availability Index

The Availability Index takes the results of the Affordable House Index and determines, based on a fixed dates, the availability of units in the price ranges that would be affordable to the income segment.²⁶

Table 18					
Availability of Housing By Median Income					
Knox County					
December 14, 2009					
	Three Person	Four Person		Three Person	Four Person
Affordable House @ 60% of Median	\$123,338	\$137,094	Affordable House @ 80% of Median	\$164,567	\$182,831
Units Available	164	258	Units Available	443	663
Total Housing Units on the Market	2794	2794	Total Housing Units on the Market	2794	2794
Affordable as a % of the Available Market	5.9%	9.2%	Affordable as a % of the Available Market	15.9%	23.7%
	Three Person	Four Person		Three Person	Four Person
Affordable House @ 100% of Median	\$205,563	\$228,490	Affordable House @ 110% of Median	\$226,116	\$251,339
Units Available	883	1057	Units Available	1057	1250
Total Housing Units on the Market	2794	2794	Total Housing Units on the Market	2794	2794
Affordable as a % of the Available Market	31.6%	37.8%	Affordable as a % of the Available Market	37.8%	44.7%

Less than 6 percent of the overall housing market is available to three person families at or below 60 percent of median and less than 10 percent of the market is available to

²⁶ MLS Listings as provided by Realtor.com on December 14th, 2009. Units are three bedroom, two bath

four person families at or below 60 percent of median income. Many of the properties available to these market segments require significant repair or rehabilitation

For three person families at or below 80 percent of median income, less than 16 percent of the market is available, while four person families at or below 80 percent of median income can access less than 24 percent of the market.

Three and four person families at median income can only access approximately one third of the market, while three and four person families at or below 110 percent of median are able to access less than 50 percent of the market

Cash-to-Close Index

Typically, a family should spend no more than 35 percent of their annual income as the down payment and closing costs for the purchase of their first home.

TABLE 19				
Cash to Close Index - Knox County				
Three Person Families	60%	80%	100%	110%
Annual Income	\$31,740	\$42,350	\$52,900	\$58,190
Median Building Cost at 1,450 sq ft/\$100 per sq ft	\$145,000	\$145,000	\$145,000	\$145,000
Typical Required Down Payment @ 5%	\$7,250	\$7,250	\$7,250	\$7,250
Mortgage Amount	\$137,750	\$137,750	\$137,750	\$137,750
Typical Closing Costs @ 4% of mortgage amount	\$5,510	\$5,510	\$5,510	\$5,510
Total Cash to Close	\$12,760	\$12,760	\$12,760	\$12,760
Cash to Close as a Percentage of Income	40.20%	30.13%	24.12%	21.93%
Four Person Families	60%	80%	100%	110%
Annual Income	\$35,280	\$47,050	\$58,800	\$64,680
Median Building Cost at 1,450 sq ft/\$100 per sq ft	\$145,000	\$145,000	\$145,000	\$145,000
Typical Required Down Payment @ 5%	\$7,250	\$7,250	\$7,250	\$7,250
Mortgage Amount	\$137,750	\$137,750	\$137,750	\$137,750
Typical Closing Costs @ 4% of mortgage amount	\$5,510	\$5,510	\$5,510	\$5,510
Total Cash to Close	\$12,760	\$12,760	\$12,760	\$12,760
Cash to Close as a Percentage of Income	36.17%	27.12%	21.70%	19.73%

In Knox County, three person families at or below 69 percent of the area median income would spend more than 35 percent of their annual income to close their first home while four person families at or below 62.1 percent of the area median income would spend more than 35 percent of their annual income to close their first home

Summary of Single Family Affordability Indexes

In summary, the four affordability indexes indicate the median building cost is \$100 a square foot, yielding a market price of \$145,000 for a 1,450 square foot, three bedroom two bath single family home. The \$145,000 unit is affordable to four person families at or above 65 percent of median income. Approximately 6 percent of the current market is affordable to families at or below 60 percent of median income. The typical four-person family at or above 62 percent of median income will spend less than 35 percent of their annual income to acquire their first home.

Needs of Public Housing 2009-2014

Families below thirty percent of AMI are traditionally served by Public Housing. The Knox County Housing Authority ("KCHA") was a troubled agency and a small public housing authority²⁷. In November 2009 KCHA was merged with Knoxville's Community Development Corporation ("KCDC"). KCDC controls 195 public housing units and 526 Housing Choice Vouchers in the County²⁸.

TABLE 20						
KCDC: Section 8 Housing Choice Vouchers (Formerly KCHA)						
Entity	Section 8	Annual Turnover Rate	Section 8 Waiting List	Waiting List Below 30% AMI	Waiting List Between 30% & 50% AMI	Waiting List Between 50% & 80% AMI
KCDC	526	14.3%	374	345	27	2

KCHA's open waiting list for the Housing Choice Voucher program was 374 families or 71.1 percent of the available vouchers in 2008. At the turnover rate of 74 units annually, it will take seven (7) years to serve those currently on the waiting list if no vouchers are converted to home ownership.

KCHA's open waiting list for Public Housing was 42 families or 21.5 percent of the 195 available public housing units in 2008. At the KCHA turnover rate of 20 units annually, it will take two years to serve those currently on the waiting list. A portion of KCHA's units are off line for repair and/or rehabilitation.

KCHA reports the highest demand is for two bedroom units, which represent 41 percent of the waiting list need²⁹.

Public Housing Strategy 2009-2014

Revitalization Strategy

KCDC operates a total of 195 units. KCDC annually receives Federal funds to modernize and repair public housing units. KCDC renovates a number of units annually replacing sliding glass doors, bathroom vanities, refrigerators and ranges, and completes kitchen upgrades and painting. KCDC has a replacement cycle on all appliances³⁰.

²⁷ The small authority designation permits Knox County Housing Authority to use an abbreviated reporting process. The troubled agency designation indicates difficulty managing and maintaining existing housing units.

²⁸ Knox County Housing Authority Five Annual Plan 2005-2009; <http://www.hud.gov/offices/pih/pha/approved/pdf/07/tn111v02.pdf>

²⁹ Knox County Housing Authority Five Annual Plan 2005-2009; <http://www.hud.gov/offices/pih/pha/approved/pdf/07/tn111v02.pdf>

³⁰ Knox County Housing Authority Five Annual Plan 2005-2009; <http://www.hud.gov/offices/pih/pha/approved/pdf/07/tn111v02.pdf>

Homeownership

KCHA had designated 25 Section 8 Housing Choice Vouchers for home ownership over the period 2005 – 2009. In 2009, the Authority reported three (3) housing choice vouchers were utilized during the period 2005 to 2009 to purchase homes.

KHCA had established a partnership with the Knoxville Housing Partnership (KHP), a non-profit Community Housing Development Organization ("CHDO"). KHP insures Section 8 applicant families have budget and credit counseling and provides both subsidized properties and direct subsidies to homebuyers participating in KCHA's Housing Choice Voucher program³¹ KHP utilizes HOME, CDBG and private sector funds to subsidize both buyers and units.

Performance

In November 2009 KCHA was merged with Knoxville Community Development Corporation ("KCDC"). Management and operations are expected to benefit by the economies of scale available to KCDC.

Barriers to Affordable Housing 2010-2015

Local Issues

For low income renters rents are rising at a 4.1 percent annual rate while the number of subsidized units has remained relatively stable. For families at or below 30 percent of median there is a significant lack of available safe housing.

For lower income renters, a lack of understanding concerning the laws and requirements of landlords and the rights of tenants can further act as a barrier.

Strategy

In an attempt to address the barriers to developing affordable housing, Knox County concentrates its limited resources on the creation of affordable single family and multifamily housing, and subsidizing low-income buyers. Knox County provides HOME funding to the Knoxville Housing Partnership for both homebuyer and multifamily development and directly subsidizes homebuyers when appropriate.

Knox County will continue to provide financing opportunities for non-profit organizations ("CHDO's") to undertake any type of allowable CHDO development. Knox County will continue to provide operating support and/or CHDO proceeds to properly configured CHDO developers to encourage participation.

3-5 Year Non-homeless Special Needs Analysis response:

³¹ Knox County Housing Authority Five Annual Plan 2005-2009;
<http://www.hud.gov/offices/pih/pha/approved/pdf/07/tn111v02.pdf>

Non-homeless Special Needs Analysis (including HOPWA) 2010-2015

Persons with special needs may have a variety of mental and physical disabilities and, therefore, need a variety of housing options. Housing needs vary depending on the type of disability and may vary throughout an individual's life depending on the degree of disability and individual circumstances. The continuum of supportive housing runs from emergency housing through transitional housing to permanent housing, which can be either rented or owned.

Special needs populations also include persons with substance abuse addictions and the elderly. While these people may not have a disability in the classic sense, they share a common trait: the need for supportive services to achieve or maintain a stable living environment.

Strategies KCNCD have adopted to serve persons with special needs within the context of its annual actions and projects are:

- Increase affordable housing opportunities for low-income persons with special needs by funding specific housing projects that include housing for these persons.
- Develop relationships with landlords and management companies to increase the pool of units available to rental voucher users with special needs, including those with a dual diagnosis or a criminal record.
- Work with a specific group to fund transportation for persons with special needs.

Housing Opportunities for People with AIDS (HOPWA)

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

1. The Plan includes a description of the activities to be undertaken with its HOPWA Program funds to address priority unmet housing needs for the eligible population. Activities will assist persons who are not homeless but require supportive housing, such as efforts to prevent low-income individuals and families from becoming homeless and may address the housing needs of persons who are homeless in order to help homeless persons make the transition to permanent housing and independent living. The plan would identify any obstacles to meeting underserved needs and summarize the priorities and specific objectives, describing how funds made available will be used to address identified needs.
2. The Plan must establish annual HOPWA output goals for the planned number of households to be 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. The plan can also describe the special features or needs being addressed, such as support for persons who are homeless or chronically homeless. These outputs are to be used in connection with an assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
3. For housing facility projects being developed, a target date for the completion of

each development activity must be included and information on the continued use of these units for the eligible population based on their stewardship requirements (e.g. within the ten-year use periods for projects involving acquisition, new construction or substantial rehabilitation).

4. The Plan includes an explanation of how the funds will be allocated including a description of the geographic area in which assistance will be directed and the rationale for these geographic allocations and priorities. Include the name of each project sponsor, the zip code for the primary area(s) of planned activities, amounts committed to that sponsor, and whether the sponsor is a faith-based and/or grassroots organization.
5. The Plan describes the role of the lead jurisdiction in the eligible metropolitan statistical area (EMSA), involving (a) consultation to develop a metropolitan-wide strategy for addressing the needs of persons with HIV/AIDS and their families living throughout the EMSA with the other jurisdictions within the EMSA; (b) the standards and procedures to be used to monitor HOPWA Program activities in order to ensure compliance by project sponsors of the requirements of the program.
6. The Plan includes the certifications relevant to the HOPWA Program.

3-5 Year Strategic Plan HOPWA response:

Housing Opportunities for People with AIDS (HOPWA) 2010-2015

Specific HOPWA Objectives

1. 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 strategic plan.

3-5 Year Specific HOPWA Objectives response:

Specific HOPWA Objectives 2010-2015

The County receives no direct HOPWA funding.

OTHER NARRATIVE

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

The County's Analysis of Impediments to Fair Housing Choice has been updated to correspond with the 2010-2015 Consolidated Plan. The A.I. is available for the Public. The latest Impediments and actions to remedy are as follows:

Impediment # 1: Need to Develop Substantive Fair Housing Initiatives

1. The analysis of fair housing complaints from the Atlanta HUD Office and the Tennessee Human Rights Commission revealed a moderate number of complaints over a 10-year period.
2. Limited fair housing information is available and there is no indication that the County has created brochures or other training materials that are locally oriented.
3. There is no indication that the County initiates or requests State assistance in any research or systematic testing programs to ascertain fair housing issues within the County.
4. This impediment incorporates the issues cited in the 1998 A.I. Impediments 1 and 2.

Suggested Steps to Remove this Impediment

- The County should establish a web page on the County's website devoted to Fair Housing. The web page can define the protected classes, provide general information on Fair Housing and Equal Opportunity and provide links to the local Fair Housing Officer and the Tennessee Human Rights Commission.
- The County should increase its efforts for outreach, training, and education of the community about fair housing rights through all types of media on an ongoing basis. This information should be made available to all County Departments, Commissions and Advisory Committees, housing and service providers as well as other public organizations, including libraries, schools, and community centers.
- The County should create publicity and media campaign strategy that will utilize visual and written materials to educate the community about fair housing rights.
- The County should hold discussions with the City of Knoxville (since they are a HUD equivalent fair housing agency) on combining and centralizing Fair Housing efforts.

Impediment # 2: NIMBY and Market Availability

1. Lack of affordable housing for protected class persons, especially those persons with disabilities, leads to discrimination due to NIMBY-ism and unavailability. Often landlords do not want to rent to people with disabilities and sometimes residents often do not want housing for protected class people in their neighborhoods (the "Not in My Back Yard, or "NIMBY" syndrome).
2. Unfortunately, NIMBY continues to be a significant impediment to fair housing choice. Public hearings concerning proposed affordable housing projects bring objections galore, mostly from neighbors who cite adverse effects on traffic, infrastructure, and public services schools, the environment, property values, and crime rates. However, the desire to maintain a neighborhood's socioeconomic homogeneity and exclusivity is frequently unstated.

Suggested Steps to Remove this Impediment

- Since this is a continuing impediment from the 1998 A.I., the County should continue to expand affordable housing options for very low, low and moderate-income residents, including public housing residents and homeless persons who seek to move into subsidized private housing.
- The County should continue to respond to NIMBY issues by making creative and effective use of its HOME, CDBG and other housing resources to subsidize the sale or rental of safe, decent and sanitary affordable housing to such residents.

Impediment # 3: Need for financial education and literacy in homeownership/rental.

1. Surveys, interviews and feedback from meetings indicate that credit education and financial counseling are lacking in efforts to impact those most in needs of this service. With regards to efforts that are being made, there may be a need to survey local residents to determine what works best for them and hold sessions that are more convenient for their availability.
2. Public education is lacking in giving people skills to be more economically independent.

Suggested Steps to Remove this Impediment:

- The County should encourage efforts to provide literacy education. Efforts must be made to help those in the community to be pro-active in establishing and maintaining good credit instead of focusing on correcting poor credit. Data showed that most of those experiencing problems in this area were Protected Classes.
- The County should work with local lenders and real estate professionals in helping to develop curriculum and providing instructors for some of the classes. Literacy education should not be limited to the public school, but should take place in neighborhoods and churches.

Impediment # 4: Potential Protected Class discrimination in homebuyer lending market.

1. Often Protected Classes are not equal partners in the home buying market in the County.
2. Prime lenders had few applications and high originations and sub prime lenders had high applications and few originations.
3. Loan data show an under representation of applicants for loan applications and denials based on debt to income ratios and credit history. These are factors that could point to disinvestments in low/mod neighborhoods that limit access to home improvement loans, access to refinancing loans and access to funds to afford new homes.

Suggested Steps to Remove this Impediment

- Lenders need to be made aware of this issue and initiate positive efforts in establishing a broader market.
- Working with local lenders, the County should do further analysis of lending data to determine to what extent disparate treatment of protected classes accounts for loan denials. This could be an ideal project between the lenders and faith based institutions.
- The County should take an active role in monitoring Home Mortgage Disclosure Act Data to insure that lenders continue to equalize lending practices.