**City of Knoxville Housing and Neighborhood Development**

**Substantial Amendments to the City of Knoxville’s**

**2019-2020 Annual Action Plan**

**January 24, 2023**

The United States Department of Housing and Urban Development (HUD) notified the City of Knoxville on April 2 and September 11, 2020, that the City would be receiving supplemental Community Development Block Grant (CDBG-CV) funding under the CARES Act, to *prevent, prepare for, and respond to the coronavirus*. Knoxville City Council accepted the CDBG-CV funds and approved Substantial Amendments to its 2019-2020 Annual Action Plan, as required by HUD to receive and commit the funds, on May 19, 2020, and April 20, 2021. A subsequent Substantial Amendment to reallocate unspent funds was approved by City Council on July 26, 2022.

The proposed changes outlined in this Substantial Amendment include no new CDBG-CV funds but reallocates $260,000 in unspent CDBG-CV funds to address the continued need for non-congregate shelter/services for 44 especially vulnerable people/households due to limited shelter availability during the pandemic. The changes also help ensure the timely expenditure of funds to meet HUD’s deadline for spending down 80% of CDBG-CV funds by June 2023.

The proposed Substantial Amendments may also authorize additional changes, including flexibilities, waivers, and suspensions of regulations/requirements authorized by HUD that were not specifically identified but will be required to make the changes.

Public Notice, as required by HUD, was published on December 17, 2022, and the draft Substantial Amendments were available for review on the City’s website on December 19, 2022. Comments received through January 20, 2023, will be included in the submission to HUD.

**Proposed CDBG-CV Amendments**

1. Under **Goal:** **CDBG-CV Public Services,** increase the total amount of funding by $260,000 (from $2,009,382.62 to $2,269,382.62). The funds will be used for Homeless Services to provide non-congregate shelter/services to an estimated 44 people/households experiencing homelessness during the coronavirus/COVID-19 pandemic.

2. Under **Goal:** **CDBG-CV** **Public Facility/Infrastructure Improvements,** decrease the total amount of funding by $250,000(from $487,310.26 to $237,310.26).

3. Under **Goal:** **CDBG-CV General Administration,** decrease the total amount of funding by $10,000(from$393,021.12 to $383,021.12). HUD allows up to 20% ($577,942.80) of the CDBG-CV allocations to be used for grants administration.