**City of Knoxville Housing and Neighborhood Development**

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

**2019-2020 Annual Action Plan**

**July 26, 2022**

The Coronavirus Aid, Relief and Economic Security (CARES) Act of March 2020, authorized supplemental Community Development Block Grant (CDBG-CV) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV). HUD notified the City of Knoxville on April 2 and September 11, 2020, that it would receive HUD allocations of CDBG-CV funds in the total amount of $2,889,714.

In order to reallocate unspent CDBG-CV funds, the City proposes to submit Substantial Amendments to its PY2019-2020 Annual Action Plan, as required by HUD. The proposed Substantial Amendments 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.

The proposed changes include no new CDBG-CV funds, but reallocates $759,337 in unspent CDBG-CV funds for priority projects and activities that benefit eligible individuals and households residing in the city of Knoxville adversely impacted by the coronavirus/COVID-19. Unmet priority community needs were determined through both consultation with partner organizations and public feedback during the PY2022-2023 Annual Action Plan process. Projects that are proposed to be funded with the reallocated funds were selected from eligible applications received in the formal grants process held by the Housing and Neighborhood Development Department in February 2022. Each proposed project meets a COVID-19 need.

The City of Knoxville Housing and Neighborhood Development Department provided public notice on June 7, 2022, that the draft Substantial Amendments were available on its web page and how residents may provide input. The notice advised that comments would be accepted through June 21, 2022.

The City receivedthe followingpublic comments: <this will be completed after the 15-day public comment period>:

**Proposed CDBG-CV Amendments**

1. Under **CDBG-CV Public Services (Goal #13)**:

A. Support the priority need: **Reduce and Prevent Homelessness**.

1. Reduce the total of $577,697 for **Transitional Housing/Services by $461,197** (new total is $116,500) and reduce the goal to an estimated **26** youth/individual**s** within the city of Knoxville that have been impacted by COVID-19 and are experiencing homelessness.
2. Reduce the total of $442,440 for **Counseling and Case Management by $125,640** (new total is $316,800)and reduce the goal to an estimated **95** youth aging-out of foster care, and at-risk of homelessness during the pandemic.
3. Increase the total of $1,019,135 for **Housing Assistance** **by $78,947.62** (new total is $1,098,082.62) to fund eligible subrecipients to assist an estimated **160** low- and moderate-income households within the city of Knoxville that have been impacted by COVID-19 (either through loss of employment or loss of income due to COVID-19 or who have been diagnosed and/or quarantined with COVID-19 and are unable to work), and are experiencing homelessness or are otherwise housing-insecure, with activities including: Housing stability case management services; Rent and utility deposits, etc. for individuals/households not on a lease or currently housed; and Relocation services and financial assistance.
4. Add **$245,000** in CDBG-CV funds for **Homeless Services** to fund: **Street Outreach Services** to an estimated **128** individuals experiencing homelessness and Emergency Shelter/Services to an estimated **271** individuals experiencing homelessness.

B. Support the priority need: **Stabilize and Revitalize Neighborhoods**.

1) Add **$33,000 in CDBG-CV funds for Health Services** to fund an eligible subrecipient to assist an estimated **1,060** low- and moderate-incomeindividuals within the city of Knoxville who are experiencing substance abuse and/or mental health problems.

2. Under **CDBG-CV** **Public Facility Improvements (Goal #18)**

A. Support the priority need: **Reduce and Prevent Homelessness**.

1) Add **$250,000** in CDBG-CV funds to **Construct or Substantially rehabilitate transitional housing** for individuals experiencing homelessness.

B. Support the priority need: **Stabilize and Revitalize Neighborhoods.**

1) Increase the total of $105,391.04 for the expansion of the **Knoxville-Knox County Community Action Committee (CAC) Mobile Meals Kitchen by $131,919.22** to serve very low-income households impacted by the COVID-19 pandemic. This same amount was previously approved using CDBG funds, though it is a better fit for CDBG-CV funding due to its direct tie-back to responding to COVID-19 needs. The City still has $72,689.74 in prior year CDBG funds committed to support this project. The total for this project from all City CDBG and CDBG-CV sources is $310,000.

3. Delete **CDBG-CV Housing/Homeownership Assistance** and reallocate **$172,500.00** in CDBG-CV funds.

4. Increase the total of $372,550.96 **by** **$20,470.16** in CDBG-CV funds (new total is $393,021.12) to **Goal #14: CDBG-CV Administration**. HUD allows up to 20% ($577,942.80) of CDBG-CV funds for administration.