Community Development Block Grant (CDBG)

Application Information and Instructions

Application Packet is available at knoxvilletn.gov/development under Current Grant Opportunities.

Important Dates:

Mandatory Technical Assistance (TA) Workshops (applicants must attend one)

Wednesday, February 9, 2022, at 3:00 PM, via Zoom. Homeless Grants portion begins at 2:00PM. **CDBG portion begins at 3:00PM** (CDBG applicants are not required to attend at 2:00PM). See knoxvilletn.gov/development under Current Grant Opportunities to find the Zoom link to join the meeting.

Thursday, February 10, 2022, at 11:00 AM, via Zoom. Homeless Grants portion begins at 10:00AM. **CDBG portion begins at 11:00AM** (CDBG applicants are not required to attend at 10:00AM). See knoxvilletn.gov/development under Current Grant Opportunities to find the Zoom link to join the meeting.

The completed application must be received by Friday, February 25, 2022, by 12:00 PM (noon)

Applicants have the option to:
- Email a single PDF (or zip file of all PDFs) to Hope Ealey at healey@knoxvilletn.gov; Or
- Mail the application to: Hope Ealey, City of Knoxville Housing and Neighborhood Development Department, P.O. Box 1631, Knoxville, TN 37901; Or
- Hand-deliver the application to: the City of Knoxville Housing and Neighborhood Development Department, 400 Main Street, Suite 532U, Knoxville, Tennessee 37902.

No matter which method of delivery an applicant chooses, it is the applicant’s responsibility to ensure that the application is received by the deadline. **Please contact Hope Ealey at 865-215-2290 or healey@knoxvilletn.gov with any questions.** Thank you for your interest!
Section 1: Essential Information

Eligible Applicants
The City of Knoxville is seeking agencies to carry out activities that work to reduce and prevent homelessness, stabilize and revitalize neighborhoods, create economic opportunity, and enhance the availability, accessibility, and quality of affordable housing in the City of Knoxville, all of which are high priority goals under its 2020-2024 Consolidated Plan.

More generally, non-profit and other public agencies designated as a 501(c)(3) or 501(c)(4), who serve residents inside the city of Knoxville, are eligible to apply. Each applicant must have the authority to submit the application and to carry out the proposed activity/project pursuant to its charter and bylaws. Please see Part II. Community Development Block Grant Application Threshold Requirements for a full listing of requirements. Partnerships between agencies/organizations are encouraged.

Community Development Block Grant (CDBG)
The U.S. Department of Housing and Urban Development (HUD) CDBG program provides funding to preserve and develop viable urban communities. Its goals are to provide decent housing, provide a suitable living environment, and expand economic opportunity, principally for low- and moderate-income (LMI) people, households, and areas.

In addition, each activity/project must meet one of the following CDBG National Objectives: Benefit low- and moderate-income (LMI) persons; Aid in the prevention or elimination of slums or blight; or Meet a need having a particular urgency (referred to as urgent need) because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

Low- and moderate-income (LMI) is defined by HUD as less than or equal to 80% of Area Median Income (AMI), adjusted for household size. See the Resources sheet for the current (as of June 1, 2021) HUD Income Limits for the Knoxville, TN HUD Metro FMR Area.

Eligible Projects/Activities
Please note: The words “project,” “program,” and “activity” are interchangeable in the application and instructions.

CDBG funds may be used for activities/projects which include, but are not limited to: Acquisition of real property; Relocation and demolition; Rehabilitation of residential and non-residential structures; Housing-related activities; Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes; Public services, within certain limits; Activities/projects relating to energy conservation and renewable energy
resources; and Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities/projects. See the Resources sheet for a link to a more detailed list of CDBG-eligible activities/projects.

CDBG-funded activities/projects must also meet at least one Priority Goal and at least one Objective outlined in the City of Knoxville’s 2020-2024 Consolidated Plan, Goals and Objectives.

Please Note: Application requests for Public Service activities for Housing Assistance (rent, rental arrears, and utility arrears) will not be considered for this round of funding. Other funding has been made available to Knox County (including Knoxville city residents) for rental housing assistance.

CDBG funds are subject to a fifteen percent (15%) cap on Public Service Activities. Public Service Activities include but are not limited to: employment services (e.g., job training); crime prevention and public safety; child care; health services; substance abuse services (e.g., counseling and treatment); fair housing counseling; education programs; energy conservation; services for senior citizens; services for homeless persons; welfare services (excluding income payments); down payment assistance; and recreational services.

CDBG Funding
• Annual entitlement funding directly from HUD to the City of Knoxville
• Funding priorities are set by the current Consolidated Plan and PY2022-2023 Annual Action Plan
• Total amount of funding is unknown at this time, but notice is anticipated in February 2022
• The current program year (PY) 2021-2022 amount is $ 1,814,182
• Awarded projects begin July 1, 2022 and end June 30, 2023

The City reserves the right to consider all complete and eligible applications and all available funding sources in deciding how to award the amount and source of funds that best meet community needs. If applying for services addressing homelessness, other funds including HUD Emergency Solutions Grant (ESG) or Homeless General Funds may be considered. If other funds are awarded, City staff will assist with any additional or substitute requirements.

Funding Requirements
The below requirements are not all-inclusive.

All CDBG-funded agencies (a.k.a. subgrantees or subrecipients) shall comply with 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

The CDBG program is operated on a reimbursement-only basis. There will be no exceptions to this requirement. Documentation of payment must be submitted with invoices for reimbursement by the City.

The City of Knoxville will not advance funds, and agencies expending funds prior to their agreement start date (or outside of the agreement period between the City and agency) will not be reimbursed.

Performance
If an applicant is selected for funding, a formal subrecipient agreement will be drafted. In this agreement, agencies will be evaluated in two main ways – progress on accomplishment goals and funding expenditures to meet their goals. Quarterly performance reports are required for all activities, as are completion reports. The agency’s invoices requesting reimbursement are used in conjunction with
performance reports to measure progress toward meeting the goals of the activity. Timely expenditure of funds is expected, as are the costs being necessary and reasonable to accomplish goals. Additional reporting and/or information may be required depending on the scope of the activity.

The City conducts monitoring of subgrantees in two ways – desk-monitoring (review of information submitted to the City by the subgrantee) and more formal, on-site monitoring at the subgrantee’s office and/or service location. On-site monitoring may include a review of the program, client, procurement, and financial files. More information about the monitoring processes will be provided as the agreement is drafted. Any in-person, on-site monitoring during the pandemic will be by mutual agreement guided by safety protocols such as social distancing, etc.

**General Regulatory Compliance**

All activities must comply with federal regulations applicable to the funding source (CDBG). These regulations may include (but are not limited to): environmental review; federal procurement standards; Section 3 and Title VI; Fair Housing and Equal Opportunity regulations; lead based paint regulations; Davis Bacon and Related Acts; and federal fiscal/audit standards. Activities may be monitored through technical assistance, site visits, desk monitoring, and formal on-site monitoring/file reviews.

Regulations specifically related to the CDBG program can be found under 24 Code of Federal Regulations (CFR) Part 570, as shown on the Resources sheet.

**City of Knoxville Insurance Requirements**

Insurance requirements include, but are not limited to, a Certificate of Insurance showing proof of the following insurance coverage: commercial general liability, and umbrella liability insurance if necessary, with a limit of at least $2 million each occurrence and $3 million aggregate; automobile liability with a limit of at least $1 million; and workers’ compensation coverage compliant with the statutory limits. The City will require the provision of endorsements showing (1) the City, its officials, officers, employees, and volunteers as additional insured for commercial general and automobile liability, (2) waivers of subrogation in favor of the City, and (3) that coverage will be primary/non-contributory.

Insurance Requirements will be discussed in detail at the mandatory Technical Assistance (TA) Workshops. Additional information can be requested of the City of Knoxville Law Department.

**Mandatory Technical Assistance Workshops**

Prior to submitting an application, all agencies are required to participate in one of two Technical Assistance (TA) Workshops conducted by City staff. Due to guidance regarding social-distancing, the workshops will be held virtually, via Zoom (see access information below). Participants must be “recognized” by their agency name in the virtual meeting so they can be counted as attending the correct workshop. The Technical Assistance (TA) Workshops are scheduled for:

**Wednesday, February 9, 2022, at 3:00 PM, via Zoom.** Homeless Grants portion begins at 2:00PM. CDBG portion begins at 3:00PM (CDBG applicants are not required to attend at 2:00PM). See knoxvilletn.gov/development under Current Grant Opportunities to find the Zoom link to join the meeting.

**Thursday, February 10, 2022, at 11:00 AM, via Zoom.** Homeless Grants portion begins at 10:00AM. CDBG portion begins at 11:00AM (CDBG applicants are not required to attend at 10:00AM).
See knoxvilletn.gov/development under Current Grant Opportunities to find the Zoom link to join the meeting.

**Section 2: The Application Packet**

- PY2022 CDBG Application Checklist
- PY2022 CDBG Application
- PY2022 CDBG Resources - Contains links to detailed information about CDBG.
- City of Knoxville’s PY2020-2024 Consolidated Plan Priority Goals and Objectives
- PY2022 CDBG Application Information and Instructions (this document)

**Section 3: Application Instructions**

There is no limit to the number of applications an agency may submit, however each activity/project should be submitted as its own application.

The application is comprised of:

- **Cover Page** – Basic agency information, amount requested, a brief description of the proposed activity, and important dates.

- **I. Agency Information**

- **II. Threshold Requirements** – A checklist of requirements.

- **III. Exhibits and Attachments** – Required Exhibits (Project Budget, Project Timeline, and Assurances forms), Required Attachments (agency budget, non-profit agency information, and, if an Area Benefit project, a map showing the benefit area) and Optional Attachments.

- **IV. Project Information**
  1. Project and Project Contact Information
  2. Choose a HUD National Objective – See Resources sheet
  3. For the HUD Eligible CDBG project types, see Section I. Essential Information, Eligible Projects/Activities (above) or Resources sheet.
  4. Beneficiaries of the proposed project - Select one: People, Households, or Area as a unit of measurement of accomplishment. A single (one) person can be counted as a household.

If using **Low- to Moderate-Income Area (LMA) Benefit**, please list the Census Tracts (See Resources sheet) and Block Group where the activity is proposed. If you are not sure if the area is an LMI Census Tract, please call and staff can confirm.
If the proposed activity provides a service to **Low- to Moderate-Income (LMI) People or Households**, choose Limited Clientele activity. Any household under 80% AMI is considered LMI.

If a **LMI Housing activity**, choose that one.

If the proposed activity is to **prevent or eliminate slums or blight**, choose that one.

5. Estimate the number of LMI People or Households to be served by Area Median Income (AMI). See **Resources** sheet to see the most recent HUD Income Limits by household size.

6. Review the **City of Knoxville 2020-2024 Consolidated Plan Priority Goals and Objectives** document in the Application Packet. The proposed project must identify that the project meets a high priority goal/objective.

7-15. Project Narratives – Complete the questions as fully and succinctly as possible. Assume the grant review committee has no prior knowledge of proposed projects.

- **V. Financial Requirements** – Descriptions of all project funding and anticipated funding sources, if and how the agency is partnering with others, scalability of the project, key project components, and agency information.

Questions 1. Through 8. – Short paragraph answers.

Applicants should provide documentation of Budget line items, such as estimates from contractors, equipment or service providers, or formulas based on expected expenses, etc.

Applicants should provide information about (and document) all other funds used or leveraged for the project.

- **VI. Affirmations and Signatures** – Be sure to sign before submitting the application!

- **Exhibits**

  1. Budget

  Expenses may be broken down into four subcategories.

    - Direct Assistance – Any financial assistance provided to/on behalf of clientele
    - Direct Costs/Services – The cost of the proposed work/services (including project personnel costs)
    - Program Operating – The direct costs of operating the activity (including financial or other direct costs)
• Indirect Costs – An existing Indirect Cost Allocation Plan under a cognizant agency or a new Indirect Cost Allocation Plan must be submitted to the City for approval.

Applicants should provide documentation of Budget line item amounts, such as estimates from contractors, equipment or service providers, or formulas based on expected expenses, etc.

Applicants should provide a breakdown of Sources and Amounts for all funding sources for the proposed activity. Fill in the amount requested, the amount of other funding leveraged, and the total costs.

2. Assurance of Compliance under Title VI of the Civil Rights Act of 1964 – Be sure to sign before submitting the application!

3. Project Timeline
   The term for CDBG is expected to start July 1, 2022, and end June 30, 2023. Please include any seasonal variation anticipated (work that must be completed in the summer or during certain times, for example).

   Questions 1. through 4. – Short paragraph answers.

4. Assurance of Audit Requirements – Be sure to sign before submitting the application!

5. Certification of Compliance with the City of Knoxville Conflict of Interest and Procurement Policies – Be sure to sign before submitting the application!

Section 4: Application Submission Requirements

Submission Deadline
The completed application must be received by the City of Knoxville Housing and Neighborhood Development Department no later than 12:00 PM (noon) on Friday, February 25, 2022. A postmark of that date will not be acceptable. Applications received after that deadline will not be accepted. Applications submitted via facsimile will not be accepted.

Submission Instructions
1. Applicants have the option to:
   • Email a single PDF (or zip file of all PDFs) to Hope Ealey at healey@knoxvilletn.gov; Or
   • Mail the application to Hope Ealey, City of Knoxville Housing and Neighborhood Development Department, P.O. Box 1631, Knoxville, TN 37901. Be sure to label any envelope with “City of Knoxville Housing and Neighborhood Development Department” as Knox County has a Community Development Department in the City/County Building and mail has been misdirected before; Or
   • Hand deliver the application to the City of Knoxville Housing and Neighborhood Development Department, 400 Main Street, Suite 532U, Knoxville, Tennessee 37902.
No matter which method of delivery an applicant chooses, it is the applicant’s responsibility to ensure that the application is received by the deadline.

Confirmation of Receipt of Application
If the application is emailed, applicants will receive a receipt or automatic notification of delivery through their email system. Applicants may also request confirmation that the City received their application by a separate email to Hope Ealey at healey@knoxville.gov. This should be done well before the deadline.

If the application is mailed, applicants may also request confirmation by emailing or by calling Hope Ealey at healey@knoxville.gov or 865-215-2290. This should be done well before the deadline.

If the application is hand-delivered, City staff will give a receipt. Applicants should not leave without it.

2. Submit the completed application, including Required Exhibits and Attachments, in a single PDF file (or zip file of all PDFs) or in a sealed envelope if a hard-copy is submitted.

3. Applications may be emailed, scanned, photocopied or printed after submission. Please keep that in mind when submitting. If submitting a hard-copy, please submit one original. Hold the application together with a single staple, paper clip, or binder clip, and please do not heat or spiral bind the application, enclose it in a two- or three-hole punched binder or folder, utilize index dividers or cardboard tabs, or staple together individual sections of the application.

4. The application must be typed or computer-generated. Hand written applications will not be accepted. Use only 11 point or larger standard font with black ink. Underlines don’t have to be typed-over, simply delete the line and underline the answer.

5. For hard-copy applications, only white 8 ½” x 11” paper should be used. Brochures and other attachments may be submitted on colored paper, cardstock, or other printed format.

6. Applications should respond to all questions and include all information requested. Maps, supporting data, and other pertinent documentation should be included when relevant.

7. Applicants should consider submitting their application early! Those waiting until the last minute run the risk of submission problems. No exceptions will be given for late or incomplete applications.

8. Also remember, for applicants planning to hand-deliver applications, there is enhanced security at the City-County Building doors. Mask/face coverings are encouraged in the City County Building. Parking downtown and entering the building can sometimes take extra time. Applicants should factor that into their plans.

9. If applicants have questions or need help, please call Hope Ealey at 865-215-2290. Do not wait until the last minute, please.
The City of Knoxville may require additional information to assess the application proposal. The City will not return the application materials nor reimburse any cost of preparing the application materials.

Section 5: Application Review and Evaluation

Incomplete Applications
Once received, all grant applications will be screened for eligibility and completeness.

Evaluation Criteria

1. Part II. Threshold Requirements (all applicants must meet these requirements)

2. Agency Capacity
   - Demonstrated understanding of CDBG National Objectives and Eligible Activity Requirements
   - Implementation Capacity
   - Fiscal Capacity and Responsibility

3. Project/Activity Considerations
   - Eligibility: Meets CDBG compliance requirements, eligibility of activities/projects
   - How well it meets the City of Knoxville’s Priority Goals and Objectives
   - Demonstrates need
   - Quality of the activity/project
   - Timing - How quickly activities can be implemented and concluded (in some cases)
   - Budget evaluation, including how well-defined the costs are presented
   - Evaluation of Quantifiable Performance Goals
   - Leveraged resources and/or partnerships

The proposed activity/project will also be considered with other proposals received for collective community impact. Applications selected for funding may receive less than the requested amount depending on the number of applications received and available funds. Funding is not guaranteed to any agency or activity/project.

Section 6: Timeline

Application Timeline

Monday, February 7, 2022  The Application Packet is available online
Wednesday, February 9    Technical Assistance Workshop (via Zoom)
Thursday, February 10     Technical Assistance Workshop (via Zoom)
Friday, February 25       Applications are due (and must be received by) by 12:00 noon
## CDBG Funding Timeline

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>February 25 – March</td>
<td>Staff review applications, compare with financial resources available and present recommendations to Administration</td>
</tr>
<tr>
<td>March – March 31</td>
<td>Staff will contact potential awardees and incorporate proposed projects and resources into draft PY2022-2023 Annual Action Plan</td>
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<tr>
<td>April 1</td>
<td>Draft Annual Action Plan Made Available for Public Review</td>
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<tr>
<td>April 1 - May 2</td>
<td>30-day Public Comment Period on draft Annual Action Plan</td>
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<tr>
<td>TBD</td>
<td>Public Meeting #2 (via Zoom)</td>
</tr>
<tr>
<td>May 3, 6:00 PM</td>
<td>City Council Meeting - Review / Approval</td>
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<tr>
<td>May 15</td>
<td>Annual Action Plan Due to HUD</td>
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<tr>
<td>May 9 – June 30</td>
<td>Staff will contact potential awardees and develop Subgrantee Agreements</td>
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<tr>
<td>July 1 - forward</td>
<td>Knoxville City Council votes on Subgrantee Agreements. Once Agreements are approved by Council, subgrantee may begin the project.</td>
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## Funding Release/Agreements

**CDBG**

City Council must approve the PY2022-2023 Annual Action Plan that describes CDBG-funded projects/activities, before it can be submitted to HUD. The City anticipates submitting the Plan to HUD by May 13, 2022. HUD must approve the City of Knoxville’s PY2022-2023 Annual Action Plan before it releases the funds.

All subgrantees receiving $25,000 or more, shall have agreements with the City of Knoxville approved by Knoxville City Council. No projects/agreements under $25,000 will be awarded this year.

Prior to execution of grant agreements, all projects must have an environmental review completed by City Housing and Neighborhood Development staff.

For more information about this application and funding process, please call Hope Ealey at 865-215-2290 or email healey@knoxvilletn.gov.

Thank you and Good Luck!