



**U. S. Department of Housing and Urban Development**

Knoxville Field Office, Region IV  
John J. Duncan Federal Building  
710 Locust Street, Suite 300  
Knoxville, Tennessee 37902-2526

August 28, 2017

Eric Stuckey, City Administrator  
City of Franklin  
P.O. Box 305  
Franklin, TN 37065

Dear Mr. Stuckey:

SUBJECT: Approval of the 2017 Consolidated Annual Action Plan

I am pleased to transmit to you the U.S. Department of Housing and Urban Development's (HUD) approval of the 2017 Consolidated Annual Action Plan for funding under the Community Development Block Grant (CDBG) Program. Your jurisdiction's Program Year (PY) 2017 begins on July 1, 2017, and \$263,690 in CDBG funding is available.

The Department commends the City of Franklin and staff on the efforts which successfully completed this Consolidated Annual Action Plan. The goals and objectives developed through this process will provide and expand the foundation for partnerships at all levels of government with citizens and the private sector, including for profit and nonprofit organizations. These partnerships have proven to be invaluable as you and your partners address the problems of affordable housing, homelessness, community development needs, and economic opportunities for all citizens, particularly for very low- income and low-income persons. In addition, these programs are instrumental as your community and the Nation address pressing housing and economic problems and address the needs of our citizens.

On July 8, 2015, the Department announced the Final Rule on affirmatively furthering fair housing (AFFH). The Final Rule will equip communities that receive HUD funding with data and tools to help them meet long-standing fair housing obligations in their use of HUD funds. This Final Rule will also enhance measures through CPD programs to promote diverse, inclusive communities." A AFFH fact sheet may be found at the following website: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/16affh\\_home\\_page](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/16affh_home_page).

Throughout the program year, training and technical assistance will be provided. We also encourage your jurisdiction to participate in these training/technical assistance sessions.

A copy of your Consolidated Annual Action Plan was provided to the Department program offices for review and comments. Any received comments are provided as an enclosure to this letter or are included in the Advice and Guidance enclosure.

Enclosed are three originals of the Grant Agreements for CDBG Entitlement Program (form HUD 7082), which require the Mayor's or the official designee's signatures. These constitute the contract between HUD and the City of Franklin.

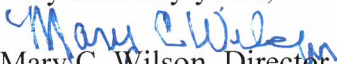
For each grant agreement, specific information is required for those using an Indirect Cost Rate. If funding assistance will be used for payment of indirect costs pursuant to 2 CFR 200, Subpart E-Cost Principles, you are required to enter specific information as instructed. The requirement on Indirect Cost rate is indicated under the Special Conditions, Item 8 (attached) for CDBG. Now, if your jurisdiction is not using an indirect cost rate, you are required to state NO. If your jurisdiction is using an indirect cost rate, then enter the required information as indicated for each funded program on each grant agreement (Funding Approval). If no answer and/or no information are provided, then the applicable grant agreement(s) are not considered as fully executed and will be returned to your jurisdiction for completion. Also, please be aware that the HUD Field Accounting Center will not process the grant agreements until the required information has been entered on a grant agreement. As such, no funds will be available to be drawn down by your jurisdiction. You are also reminded to also review and comply with the other special conditions included in the Funding Approvals (Item 8 for CDBG). You are also reminded that HUD funds are drawn down using a grant based approach in the Integrated Disbursement and Information System (IDIS).

As you know, formula grant funds are governed by the Department and the management of the Consolidated Plan, including the Consolidated Annual Action Plan is handled by the Office of Community Planning and Development (CPD). I have signed the agreements and applicable funding approval forms. Please retain one set of originals for your records and return the other two sets to CPD as noted below:

U.S. Department of Housing and Urban Development  
Mary C. Wilson, Director, CPD  
John J. Duncan Federal Building, Suite 300  
710 Locust Street, SW  
Knoxville, TN 37902

Failure to execute and return the grant agreements within 60 days of the date of this letter may be considered to constitute rejection of the grant and cause for HUD to determine that the funds are available for reallocation to other grantees. Also, the year- end reporting on 2016 program performance and accomplishments in the Consolidated Annual Performance and Evaluation Report (CAPER) is due to CPD 90 days after the end of the 2016 program year.

At this time, no new guidance has been received from our headquarters, and grantees are advised to follow the format used for last year's CAPER reporting and submitted the CAPER using IDIS. For submission of other HUD program required reports, please refer to the enclosed Advice and Guidance for instructions. We look forward to working with your jurisdiction to accomplish the goals set forth for your jurisdiction. In the meantime, if you have any questions regarding this letter, please contact me at (865) 474-8225.

Very sincerely yours,  
  
Mary C. Wilson, Director  
Office of Community Planning  
and Development

Enclosures

cc

Honorable Ken Moore  
Mayor of Franklin

Kathleen Sauseda  
Housing Development Coordinator

**KNOXVILLE OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
PROGRAM YEAR 2017  
CONSOLIDATED ANNUAL ACTION PLAN  
ADVICE AND GUIDANCE  
  
FRANKLIN, TENNESSEE**

The Knoxville Office of Community Planning and Development (CPD), U. S. Department of Housing and Urban Development (HUD) provides the following Advice and Guidance to assist your jurisdiction as it implements the activities under the 2017 Consolidated Annual Action Plan, prepare for the completion of the 2016 Consolidated Annual Performance and Evaluation Report (CAPER), and begin the process for developing the next Plan submission.

**Accessing the Integrated Disbursement and Information System (IDIS) – Important Reminder**

IDIS users are reminded to log into IDIS at least monthly to maintain their system access. The system will remove any and all users that fail to log in within 90 days.

**Technical Assistance**

Technical assistance is available for grantees to implement, operate, or administer CPD-funded program. HUD has Technical Assistance (TA) available to help. Based on the information you provide, HUD will determine the type and level of assistance available to you. Technical assistance is more involved than basic policy questions. It involves recurrent communication with TA providers, possible site visits, and/or longer-term assistance that enables your organization to build skills, knowledge and capacity for operating CPD programs. To make the TA request contact Knoxville CPD or go to the below website:

<https://www.hudexchange.info/program-support/technical-assistance/>

**Environmental Review Procedures for Formula Programs**

Certain activities included in the Consolidated Plan are subject to the provisions of 24 CFR Part 58 (Environmental Review Procedures for the CDBG, HOME, Emergency Solution Grants, and Housing Opportunities for Persons With AIDS Programs). Funds for such activities may not be obligated or expended unless HUD has approved the release of funds in writing. A request for the release of funds must be accompanied by an environmental certification. Grantee are encouraged to submit all environmental review requests in the HUD Environmental Review Online System (HEROS). At this time, such requests may also be submitted to Knoxville CPD.

### **Minority Business Enterprise (MBE)/Women Owned Business (WOB) and Section 3 Activities**

Executive Orders 12432 and 11625 require all Federal agencies to promote MBE, including women owned businesses, participation in their programs. The next MBE report, Contract and Subcontract Activity,” covers the period of October 1, 2016 - September 30, 2017. As indicated on the form, the required submission date is within 10 days of September 30<sup>th</sup> each year.

### **Section 3**

You are also urged to expand your efforts in complying with Section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135. Section 3 provides that to the greatest extent feasible opportunities of employment and training be given to lower income residents of the project area and contracts be awarded to businesses located in or owned, substantially by residents of the project area. All direct recipients of HUD funding covered by Section 3 must submit Form 60002 annually. All reports must be submitted in the Section 3 Performance Evaluation and Registry System (SPEARS). The Section 3 Report is due 90 days at the end of each Consolidated Plan grantee’s program year and is requested at the time of submission of the Consolidated Annual Performance and Evaluation Report. For more information on access to SPEARS, please go to the following website:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/section3/section3/spears](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3/spears)

### **Plan’s Overall Assessment**

In developing its 2017 Annual Action Plan, the City of Franklin solicited citizen input and community collaboration as evidenced by the wide range of public and private agencies and organizations that participated in the Consolidated Plan process. A public hearing on the 2017 Plan was held to solicit comments from the citizens in March 2017. Acceptable contingency language was provided that projected allocation amounts would be adjusted proportionally (increase or decrease) to match the actual HUD funded amount when announced.


For Program Year 2017, funds in the amount of \$200,952 will be used to construct two new housing units by a Community Based Development Organization (CBDO); provide homeownership and fair housing counseling services; and administration. The Community Development Department and the Housing Authority have shared information and coordinated efforts. The Plan was consistent in the relationship between identified needs, priorities, strategies, and goals/objectives as well as using clear language and consistent policy as documented by the narrative and tables. Descriptions of individual proposed projects are sufficiently detailed to inform a reader of the parameters, location, and anticipated results.



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July 6, 2017

MEMORANDUM FOR: Mary Wilson, Director, Knoxville Office of Community Planning and Development, 4JD

FROM:   
Zachary D. Blair, Acting Director, Programs and Compliance Division/Tennessee, 4GES

SUBJECT: Review of 2017-2018 Annual Action Plan for the City of Franklin

The Office of Fair Housing and Equal Opportunity (FHEO), Programs and Compliance division, reviewed the City of Franklin 2017-2018 Annual Action Plan on July 6, 2017, in accordance with HUD regulations at 24 CFR § 91.520(a) and the Fair Housing requirements. FHEO recommends that the 2017-2018 Annual Action Plan be approved. However, FHEO requests that the following fair housing concerns be communicated to the jurisdiction regarding the 2017-2018 AAP.

FHEO reminds the jurisdiction that according to 24 CFR § 570.601 and the certification to affirmatively further fair housing (AFFH), the jurisdiction is obliged to take appropriate actions to overcome the effects of impediments identified through its Analysis of Impediments (AI). The jurisdiction's 2013 AI specifically identified lack of affordable housing as a fair-housing impediment and included, among other recommendations, that the jurisdiction pursue zoning incentives and other revisions to public-development policies to promote the development of affordable housing.

Even though the jurisdiction has not amended or revised its 2013 AI, its 2017-2018 AAP indicates that the jurisdiction no longer considers public-development policies to be major barriers to affordable housing, stating the lack of affordable housing is private-sector oriented. The AAP and the 2013 AI list multiple suggestions on how public-development policies could be revised to promote affordable housing; yet the AAP does not indicate the jurisdiction has adopted any such suggestions.

Therefore, FHEO cautions that the jurisdiction should take appropriate action to address the impediment relating to lack of affordable housing through the consideration of appropriate zoning and regulatory revisions. A community's zoning ordinances, regulations, land usage, and processes play a critical role in determining the amount, type, and location of affordable housing. Failure to take appropriate actions may jeopardize the jurisdiction's AFFH certification, resulting in FHEO recommending disapproval of subsequent AAPs.

*HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.*

Additionally, FHEO notes that the jurisdiction did not indicate that community meetings and other activities related to public participation were affirmatively made available to Limited English Proficiency (LEP) populations or to persons with disabilities. Failure to affirmatively make such programs and activities available to LEP populations may disparately impact particular racial and ethnic minorities, thereby jeopardizing the jurisdiction's AFFH certification. The jurisdiction's failure to indicate that it made notices available to persons with disabilities may violate Section 504 of the Rehabilitation Act and the jurisdiction's AFFH certification.

FHEO cautions the jurisdiction that in its next AAP, it should provide information on the specific actions it has taken to ensure that its community meetings and programs are accessible to LEP populations and individuals with disabilities. Failure to do so may result in FHEO recommending disapproval of subsequent AAPs.

The City of Franklin Program year 2018-2019 AAP will be reviewed in specific for the concerns above. If you have any questions or need technical assistance in this matter, please contact Stephen D. Moore, Equal Opportunity Specialist, at [Stephen.D.Moore@hud.gov](mailto:Stephen.D.Moore@hud.gov) or 865-474-8214.