



Southeastern Housing Foundation
An Initiative of KNOXVILLE LEADERSHIP FOUNDATION



February 11, 2009

Knoxville/Knox County Metropolitan Planning Commission
City/County Building, Suite 403
400 Main Street
Knoxville, Tennessee 37902

Dear Commissioners:

I am writing in support of the rezoning application for Flenniken Housing (MPC File No. 7-L-08-RZ). Down-zoning of the subject property is consistent with the One Year Plan for the City, and I strongly urge you to approve the request at the February 12th MPC meeting.

The Ten-Year Plan and Permanent Supportive Housing

The Knoxville/Knox County Ten-Year Plan is part of a national initiative to end chronic homelessness through a "housing first" approach. As defined by HUD, a chronically homeless person is "an unaccompanied disabled individual who has been continuously homeless for over one year or who has had at least four episodes of homelessness within the last three years." It is estimated that Knoxville has approximately 800 chronically homeless. The Ten-Year Plan targets the chronically homeless population because, although they represent only about 15% of the total homeless population, they consume the most community resources. In Knoxville, for example, the average chronically homeless person living on the streets costs local taxpayers approximately \$40,000 per year.

Housing first is proven to be one of the most effective strategies for ending chronic homelessness and costs much less to develop and operate than allowing individuals to remain on the streets. The strategy first places chronically homeless individuals who have committed to leaving the streets into a safe, stable living environment. Substance abuse and/or mental illness issues are then addressed with the assistance of a professional case manager. This type of housing is called Permanent Supportive Housing because the residents sign a long term lease (1-year or longer) and receive supportive social services.

Southeastern Housing Foundation (SHF) is a local nonprofit developer of affordable housing. As a strategic partner of the Ten-Year Plan, SHF is charged with developing approximately 400 units of new permanent supportive housing throughout all sectors of the Knoxville area. SHF is also the developer for the proposed Flenniken project.

Flenniken Housing

Flenniken Housing is a proposed adaptive use project that would completely renovate the abandoned Flenniken Elementary School into no more than 48 efficiency and one-bedroom units of permanent supportive housing. The intent is to rezone a portion of the property from C-3 to O-1 and then obtain a favorable Use on Review that would permit multifamily use – specifically, permanent supportive housing.

Site Consideration Task Force / Project Timeline

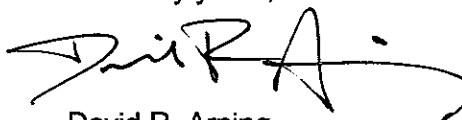
SHF identified Flenniken as a potential permanent supportive housing site in the spring of 2008 and began its due diligence – including public meetings – well before the concept of a task force was introduced. The task force is being formed to establish criteria that should be considered when evaluating and selecting future sites for permanent supportive housing. Task force members will represent a variety of community interests and will include Ten-Year Plan administrators, support services providers, permanent supportive housing residents, developers, neighborhood representatives, and City and County elected officials. Some City Council members and residents have requested that the project be postponed until the task force has completed its work. Time is of the essence, however, and we firmly believe that the task force and the Flenniken proposal can and should proceed concurrently.

It is critically important that the Flenniken rezoning application proceed for several reasons:

- The rezoning request is consistent with the City's One Year Plan and many South Knoxville residents and business owners have indicated a preference for down-zoning the C-3 portion of the property; some support residential use but specifically oppose permanent supportive housing;
- Knoxville has a great and immediate need for new permanent supportive housing;
- The property possesses several desirable characteristics of permanent supportive housing, including its location at the edge of commercial and residential areas and its proximity to public transit, social services and employment opportunities;
- The building currently is in severe disrepair – a blight and a liability to the community;
- SHF has already devoted considerable time and financial resources to the project;
- Flenniken Housing was recently awarded a competitive Affordable Housing Program grant of \$1,000,000 by the Federal Home Loan Bank of Atlanta; the privately-funded grant is specific to Flenniken and has strict deadlines by which to spend the funds and complete the project;
- Flenniken Housing still must secure competitive Low-Income Housing Tax Credits to finance the bulk of the project; applications are due May 1, 2009; awards are announced in September 2009;
- The timeline for rezoning and securing funding allows ample opportunity for public review and comment; SHF and the Ten-Year Plan have conducted six planned meetings with individuals, groups, business leaders, and the general public of South Knoxville; additional meetings will be scheduled and widely advertised; and
- The Site Consideration Task Force is not adversely impacted by the Flenniken proposal, and many of the considerations identified by that group can be applied concurrently to the Flenniken project.

Thank you for your time and consideration of this important project. I look forward to addressing any questions or concerns you may.

Sincerely yours,



David R. Arning
Ten-Year Plan Housing Coordinator
Southeastern Housing Foundation