

**U.S. Department of Housing and
Urban Development
Notice of Funding Opportunity
PATHWAYS TO REMOVING
OBSTACLES TO HOUSING
(PRO HOUSING)**

Draft Application

**Submitted by the City of Jackson, TN
Office of the Mayor**

For Public Review and Comment: October 13 – October 28, 2023

Table of Contents
Applicant: City of Jackson, TN

Narrative Exhibits

Exhibit A Executive Summary

Exhibit B Threshold Requirements and Other Submission Requirements

Exhibit C Need

Exhibit D Soundness of Approach

Exhibit E Capacity

Exhibit F Leverage

Exhibit G Long-Term Effect

Attachment A Summary of Public Comments*

Attachment B Required Forms*

Attachment C Certificate of Consistency with Consolidated Plan*

Attachment D Authorization to Submit Grant Application*

Attachment F Letters of Support*

*To be added to final grant application package

Exhibit A
Executive Summary
Applicant: City of Jackson, TN

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Executive Summary

The City of Jackson is pleased to submit this Pathways to Removing Obstacles to Housing (PRO Housing) grant application to the U.S. Department and Urban Development. Each of the proposed activities provides action items to reduce and remove barriers to the rapidly escalating affordable housing crisis in Jackson.

Despite ongoing efforts to address fair housing barriers, Jackson, like many cities nationwide, is grappling with an escalating affordable housing crisis. The city's housing supply has failed to keep pace with its economic and population growth, leading to a decline in housing affordability. Fewer households can access homeownership, and rents are rising faster than incomes for most households. The ability to provide affordable homes is further constrained by limited public funding, preemptive state laws, developer capacity constraints, inflation, and a lack of regional partners.

The housing crisis in Jackson has been further amplified by recent strides in regional economic and industrial development, including the BlueOval City project, a collaboration between Ford Motor Company and SK, a lithium-ion battery manufacturer to produce the next generation of electric vehicles. This \$5.6 billion project, located approximately 40 miles west of downtown Jackson, is expected to generate significant employment opportunities. This development offers economic potential but also places additional pressure on the local housing market.

The requested PRO Housing Funds will be allocated to the construction of the Central City single-family housing development. All funded units will benefit low- and moderate-income individuals and families, with projects selected through a competitive process in compliance with HUD regulations and policies for construction projects. To construct 40 new homes, the estimated cost is approximately \$8 million, including both hard and soft costs associated with construction. The City of Jackson has committed to waiving permitting fees for this development project. Additionally, the cost to develop a pre-approved plan book to support the efficiency, affordability, and quality of this development is estimated at approximately \$140,000.

By doing this, we will achieve the following goals:

- Increase and diversify housing supply citywide
- Preserve existing attainable housing
- Improve access to housing options for low-to-moderate income individuals and families
- Reduce the number of individuals and families experiencing homelessness and strengthen homeless continuum of care
- Promote and protect quality and safety of existing housing stock

The City of Jackson, as the lead agency, will collaborate with the Tennessee Housing Development Corporation (THDC), the nonprofit entity of the Jackson Housing Authority. Key staff members from JHA/THDC, including the Executive Director, Deputy Director, CFO, and Director of Development and Facilities, will be directly involved in the administration of the PRO-Housing Grant.

Ultimately, this project will lead to greater neighborhood stability, public safety, improved community schools, and reduced residential displacement due to gentrification. In essence, the City of Jackson's proposal strives to transform its development capabilities to meet the urgent need for affordable housing production.

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Exhibit B
Threshold Requirements and Other Submission Requirements
Applicant: City of Jackson, TN

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III.D. Threshold Eligibility Requirements

1. The City of Jackson does not have any outstanding charges, cause determinations, lawsuits, or letters of findings for civil rights matters listed in subparagraphs (1) – (5).
2. The City of Jackson’s application will be submitted timely.
3. The City of Jackson, as a unit of local government, is an eligible applicant. *See Attachment D – Authorization to Submit Application.*
4. The City of Jackson is submitting only one application.

III.E. Statutory and Regulatory Requirements Affecting Eligibility

The City of Jackson is compliant with all requirements pertaining to Applicants of HUD’s Financial Assistance Programs and has the necessary processes and systems in place to comply with the Award Term.

IV.G. Other Submission Requirements

The following items will be addressed in the narrative exhibits (where noted) and required forms will be uploaded to grants.gov. and posted publicly with the final application package.

1. Standard Application, Assurances, Certifications and Disclosures
 - Standard Form 424 (SF-424) Application for Federal Assistance (required form)
 - Assurances (HUD 424-B) (required form)
 - Applicant Disclosure Report Form 2880 (HUD 2880) (required form)
 - Code of Conduct: The City of Jackson’s ethical standards related to conflicts of interest for procurements are state in the 2023 City of Jackson Procurement Policies & Procedures
 - Affirmatively Furthering Fair Housing (See Exhibit B)
2. Other Program Specific Requirements
 - a. Limited English Proficiency (LEP): The City of Jackson’s public notice of the grant application that was published in newspapers and sent via email included information for receiving assistance with translation services. The public notice posted on the City’s website included a translator app. In addition, the Jackson Housing Authority shared information with organizations that serve LEP populations.

b. Physical Accessibility: The City of Jackson has and will continue to comply with all applicable laws and regulations. The public meeting notice on the grant application included contact information for the City's ADA Compliance Coordinator. In effort to accommodate all persons, a virtual and in-person public meeting was held. The in-person meeting was held in a physically accessible space. All materials posted on the City of Jackson's website are ADA compliant.

c. Environmental Review: As a CDBG entitlement community and HOME participating jurisdiction, the City of Jackson understands and will comply with 24 CFR part 58 for all activities funded by the PRO Housing Grant.

d. Federal Assistance Assurance (required form)

e. 424-CBW Budget Form (required form)

f. Certification Regarding Lobbying (required form)

g. Disclosure of Lobbying Activities (SF-LLL) (required form)

Exhibit C

Need

Applicant: City of Jackson, TN

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Exhibit C Need

AFFORDABLE HOUSING EFFORTS

The City of Jackson is a municipal government that receives federal funds to use for administering the Community Development Program. In 1998, the City of Jackson entered into a Memorandum of Understanding with the Jackson Housing Authority (JHA) to administer and implement the Community Development Block Grant (CDBG) and HOME Investment Partnerships Grant allocated by the Department of Housing and Urban Development. The City of Jackson maintains oversight and approval of the above-mentioned programs by the Mayor and City Council. The MOU required the Mayor and City Council to approve the Consolidated Plan, Annual Action Plans, Citizen Participation Plan, and any amendments to these plans. The Consolidated Annual Performance Evaluation Report (CAPER) is also approved by the Mayor and City Council annually.

JHA, as administrator of the City's CDBG and HOME program, is the lead agency in preparing the Consolidated Plan, Annual Action Plans, the Citizen Participation Plan, and CAPER as well as any HUD applications that fall under the City's authority for applicant eligibility. JHA also prepares the Analysis of Impediments to Fair Housing Choice (AI). As part of the annual planning processes, impediments to housing are identified, along with the actions that JHA, the City, and our partner agencies are taking to address them. Our efforts thus far to identify, address, mitigate, or remove barriers to affordable housing production and preservation and residents' access to affordable housing are described below.

Impediment: Housing affordability and insufficient income; households having inadequate income to acquire housing currently available on the market.

Action: With the announcement of Ford's BlueOval City project located within a forty-minute drive of Jackson, TN, the City is working with various regional partner agencies on planning for the increased need for housing. The BlueOval project will increase job opportunities; however, it will also cause an even greater decrease in affordable housing availability. It is the goal of BlueOval to connect local residents to training opportunities to meet their employment

qualifications through partnerships with local high schools, Tennessee College of Applied Technology (TCAT) campuses, area colleges and universities, and other community organizations.

The American Job Center of Jackson provides services for job placement and training, career counseling, financial assistance for education and certifications, and more, along with mobile America Job Centers. The mobile units are one-stop job centers that provide a variety of services, such as computer/software training, job search assistance, and recruitment. The mobile units move through neighborhoods and communities. The Workforce Innovation and Opportunity Act (WIOA) is a federally funded training and job program that provides workforce investment activities through statewide and local systems. Authorized workforce investment activities provided at the local level benefit job seekers, dislocated workers, youth, foster care participants, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. These activities promote an increase in employment, job retention, earnings, and occupational skill attainment by participants. This improves the quality of the workforce, reduces welfare dependency, and enhances the productivity and competitiveness of our workforce, thereby addressing impediments of insufficient incomes. Through these workforce development partnerships, we aim to address the aforementioned barriers related to insufficient income and economic mobility.

While job opportunities and earnings are significantly increasing in the Jackson area as a result of unprecedented industrial and associated economic growth, the housing supply has not kept pace to match this growth, particularly for affordable and workforce housing. For every 10 new jobs created in the State of Tennessee, we are building 6 housing units, leaving a significant gap in housing supply. In addition, as home sale prices and rents skyrocketed across the state – rising over 20 percent since 2020 - thousands of Tennessee residents are being priced out of their communities. This is even more concerning for the Western Division of the state that has historically lagged in growth and investment, and thus is severely underprepared for the current construction and housing booms our region is experiencing.

Impediment: Development constraints and supply of available land constraints to new housing production; limited incentives to encourage affordable housing development due to State preemptions.

Action: The City and JHA have developed new units utilizing HUD funds such as HOME, Neighborhood Stabilization funds, and Public Housing funds to leverage private financing to make housing more affordable. Agencies continue to strengthen partnerships to seek funding to provide affordable housing in Jackson.

In 2007, the City created the Community Redevelopment Agency of Jackson, Inc. (CRA) to address blight, deterioration, and improve the city. Over the past decade, the CRA, with their master developer, has focused on a 17-acre area adjacent to the downtown area. Since then, the urban developments of Jackson Walk and High Point multi-family apartments, retail, commercial, health care, and wellness, have been developed. Additionally, 100 new single-family homes have been added, with at least 25 to be constructed in the near future. However, the majority of these new homes and apartments are being sold or leased at market rate and do not include affordable housing provisions. The CRA has also successfully implemented the Tennessee Housing Development Authority's (THDA) Blight Elimination Program (BEP) that demolished 96 blighted homes and structures over the last five years in Midtown and East Jackson, with plans for building back affordable housing on a majority of these lots. The CRA BEP lots are now held as a land bank that can be used as an incentive for developers to infill affordable housing in these areas through cheap or free acquisition of lots. The City of Jackson has leveraged just shy of \$2 million dollars from the THDA through the BEP since its adoption in Jackson. The CRA has used this THDA funding for redevelopment of affordable housing as well as creating homebuyer incentives including \$10,000 in cost reduction to buyers that purchase these housing units, which can be used for down payment assistance, closing costs, or reducing the overall cost of the home.

Under land use, there are few land use tools suitable for use in Jackson because Tennessee state law places significant limitations on these. For example, state law has prohibited local governments from adopting voluntary inclusionary housing options such as density bonuses to

encourage affordable and workforce housing construction. Additionally, the municipal use of tenants' rights protections to protect current occupants is not feasible in Jackson (e.g., right to counsel, rent control, proactive inspections, or just cause eviction) because these types of laws and regulations are preempted by the state.

The City of Jackson has addressed housing density through updates to our zoning regulations that eliminate parking minimums citywide and allow for Accessory Dwelling Units (ADUs) on residential properties without a familial relation requirement. This resolution was passed in October of 2021. The City has also expedited its permitting and plan review process through the implementation of administrative plan review for projects in our designated redevelopment areas and the utilization of new software to streamline the permitting process and bring a previously paper process online. However, these are the only land use and permitting tools available to the City to encourage or expedite affordable housing production. Therefore, the City must rely predominantly upon public subsidies to create and preserve affordable homes.

On October 3, 2023, the City Council approved a resolution to establish a Housing Commission to guide the City in the development and implementation of a comprehensive housing plan, which includes guidance on ways the City can utilize available tax incentive and subsidy programs to encourage affordable and attainable housing development further.

Impediment: Predatory lending, impacts of increased foreclosures, and sub-prime mortgage lending.

Action: Local lenders continue to offer educational programs to increase awareness of predatory lending and foreclosure. Partnering with lending institutions is vital to create a directory of mortgage products available to the community. Part of the homebuyer education counseling course curriculum includes predatory lending and foreclosure prevention. West Tennessee Legal Services (WTLS) is an approved HUD housing counseling agency. They provide advice on buying a home, renting, defaults, foreclosures, and credit issues. WTLS also provides help to homeowners in danger of foreclosure or facing foreclosure through their Mortgage Default and

Foreclosure Counseling. The City also offers property tax relief for low-income elderly homeowners as a tool for preventing foreclosures and displacement.

In 2020, the City launched its Financial Empowerment Center, which offers free one-on-one financial counseling for all residents to build savings, improve credit, reduce debt, and improve access to banking. The City is also currently implementing a consumer financial protection strategic plan to include drafting ordinances requiring mandatory disclosures of predatory lending practices and limiting these institutions via zoning laws. This is of particular concern to the City of Jackson with Madison County having the highest number of payday lending institutions per capita in the State of Tennessee.

Impediment: Low number of loan applications and lower origination rates for minority applicants.

Action: JHA's Social Services Department and local community partners continue to work to increase the number of loan applications. JHA Social Services promotes homebuyer outreach and education through working with low-income public housing clients on financial literacy and credit counseling.

The Community Development Program offers down payment assistance to low-income homebuyers through the HOME program funds to make a home purchase more affordable. THDA also has homebuyer programs that offer affordable mortgage rates and down payment assistance for low-income homebuyers.

Impediment: Location and concentration of Public and Assisted Housing Units/Section 8 Vouchers; reduced participation in the Section 8 voucher program.

Action: JHA continually seeks funding to increase assisted and affordable housing in non-minority concentrated areas through incentivized development regulations through funding sources such as Low-Income Housing Tax Credits (LIHTC), Rental Assistance Demonstration (RAD), and Choice Neighborhoods. JHA has increased payment standards to the maximum

allowed by HUD. Landlord recruitment and retention is ongoing; however, it has been challenging to recruit landlords with the ability of landlords to capitalize on the growing market demand.

Impediment: Limited number of affordable housing units and resources to assist low-income, elderly and indigent homeowners in maintaining their homes and ensuring neighborhood stability.

Action: The City and JHA continually seek funding, such as the HUD Choice Neighborhood Implementation Grant, to improve neighborhood conditions. JHA seeks Low-Income Housing Tax Credits to construct multi-family developments in the community. Additionally, the City has dedicated local American Rescue Plan Act funds to home repair and assistance programs with the goal of keeping homeowners in their homes, reducing blighted and unsafe properties, and improving neighborhood pride and stability. These programs include the City's Love Your Block program, which provided over 180 exterior home repairs for residents in the last two years, Habitat for Humanity's Aging in Place program, which served over 18 households with flooring and roof replacements over their first year, with plans to serve 45 households in the three-year funding period, and the Salvation Army, which provided 168 residents with emergency mortgage, rent, and utility assistance. Through CDBG and HOME funding, the Community Development program provides assistance to 15-20 households annually with housing repairs and accessibility modifications.

ACUTE DEMAND

Like many cities nationwide, Jackson is facing an affordable housing crisis. Housing supply has not kept pace with the city's economic and population growth, leading to a decline in housing affordability. Fewer households can access homeownership, and rents are rising faster than incomes for most households. Additionally, the system to provide affordable homes is constrained by limited public funding, preemptive state laws, developer capacity constraints, inflation, and a lack of regional partners.

Jackson's housing crisis is further accelerated by recent strides in regional economic and industrial development, particularly the projected growth stemming from the BlueOval City project that is now under construction. BlueOval City is a collaboration between Ford Motor Company and SK, a lithium-ion battery manufacturer, to produce the next generation of electric vehicles. Initial production is scheduled to begin in 2025 of the next-generation electric truck. Construction of the \$5.6 billion project is currently underway at the West Tennessee Megasite, with initial development occupying approximately 3,600 acres. BlueOval City is located 40 miles west of downtown Jackson, TN, and will be the largest manufacturing operation by Ford to-date. For every 1 job directly employed by Ford/SK, 3.4 jobs are expected to be created in the region. There will be approximately 5,760 employees on-site, which equates to roughly 19,584 jobs created in the region by 2026. A chart detailing regional population projections for the prepared by the West Tennessee Planning team contracted by the State of Tennessee Department of Economic and Community Development is provided below:

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21-COUNTY WEST TN REGION

PROJECTED POPULATION GROWTH - 2022-2035

ABOUT THE DATA

Ford and SK supplied direct employment numbers for 2024-2026, which cover operations from start-up to full production. Indirect/induced jobs were calculated using an economic impact model for West Tennessee. Since the region is currently at full employment, new jobs will require population growth.

As the region gains more amenities and makes improvements in infrastructure and local services, additional population growth will be attracted. This study projects that in addition to the BlueOval City job-related growth, population growth rates in West Tennessee will come to reflect the more robust growth that Tennessee attracts statewide.

BlueOval City Impact on the Region by 2035



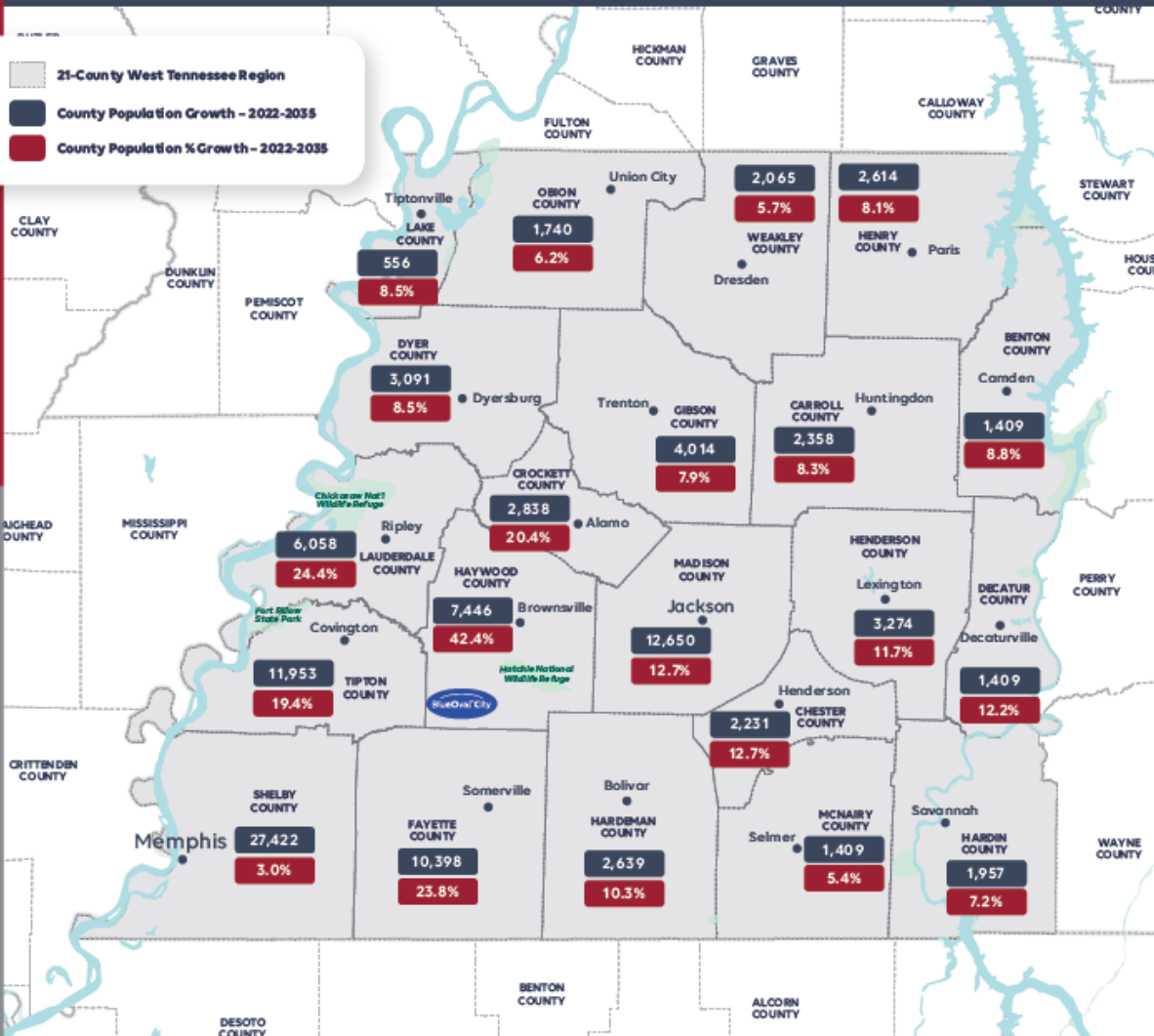
5,760
DIRECT
JOBS



21,024
TOTAL JOBS
(DIRECT, INDIRECT, & INDUCED)



109,532
POPULATION
GROWTH



Jackson-Madison County is poised to attract a large portion of the initial population, residential, and economic growth from the BlueOval City project due to several factors. Easy highway access to the site is available via Interstate 40 and US Highways 70/79. McKellar-Sipes Regional Airport is the nearest commercial airport to the site, and Jackson is a retail, higher education, health care, and entertainment hub for all of rural West Tennessee. Additionally, there are longstanding commute patterns from Haywood County, where BlueOval City is primarily located.

Many of the areas immediately surrounding BlueOval City lack the utility infrastructure to support substantial growth in the near future. Conversely, Jackson and its utility provider, Jackson Energy Authority (JEA), have a higher capacity for growth than those communities. JEA provides a single point of contact for electricity, water, wastewater, and broadband internet services for Jackson residents.

With all of these indicators pointing to Jackson as the logical recipient of a significant portion of the growth generated by BlueOval City, community leaders are seeking resources to accommodate the current and future housing demands and ensure high quality of life for long-term and new residents.

According to the Younger and Associates' 2022 Housing Study for the Jackson Market, Madison County is projected to grow by 11,950-13,200 by 2035 (approximately 1,500/year) as a result of the BlueOval development and associated industrial growth. The number of new single-family units Madison County is projected to need by 2035 is 3,191-3,525, and the number of projected new multi-family units needed by 2035 is 1,687-1,862. These calculations do not include housing needed to replace stock that is aging or beyond repair. Current housing production rates are not keeping up with this demand with only 434 single family homes permitted by the City's Planning Department last year compared to the 1,227 homes that would be needed to meet annual demands. According to 2021 Census data, 73 percent of the housing stock in our city's core was built pre-1980. This aging housing stock has led to a degradation of available homes and an increase in vacant and blighted properties in our most densely populated neighborhoods due to homeowners being unable to maintain the properties as they age. This vast need for

upkeep and repairs has led to a massive influx of home repair assistance program interest from residents and long waiting lists for available programs.

In considering housing affordability, according to the Comprehensive Housing Affordability (CHAS) data provided by the American Community Survey 2016-2020, roughly 46 percent of Jackson households, both owner and renter occupied, have an annual household income equal to or less than 80 percent of the area median income, which is the qualifying threshold for most affordable housing programs. Additionally, approximately 34 percent of Jackson households, both owner and renter occupied, are considered cost-burdened in that they pay more than 30 percent of their monthly incomes toward housing costs. These affordability constraints for existing residents will continue to grow as market demands intensify as a result of the regional industrial growth and lagging housing supply. According to 2021 Census data, median household income is \$44,778 while the median home price is \$255k according to local multiple listing service (MLS) data.

Based upon 2022 Census data and the homeless point in time count, there are approximately 6,800 cost burdened and homeless persons in the city of Jackson in need of affordable housing. Currently, Jackson has roughly 3,400 subsidized housing units (multi-family and voucher assisted). This leaves an approximate gap of 50 percent or 3,400 needed affordable housing units for the city.

The local Continuum of Care Homeless Network conducts an annual point in time count of the homeless population. The latest count was completed in January 2023. As of this time, there were a total of 141 homeless families in Jackson, Madison County TN. Of the 141 homeless, 92 were unsheltered, which qualifies as living in cars, parks, abandoned buildings, and areas not fit for human habitation. The remaining were in some type of temporary shelter at the time of count.

Existing Barriers to Production and Preservation

While the City and JHA have made great strides over the past 10 years in community redevelopment and strengthening partnerships and programs to address affordable housing access, we still face great challenges related to affordable housing supply, which will only intensify with the anticipated regional population growth over the next few years. These challenges are due to a variety of barriers, to include regional housing developer capacity constraints in a time of high industrial and population growth statewide, and preemptions from the State on local government offering land use incentives. For example, state law has prohibited local governments from adopting voluntary inclusionary housing options such as density bonuses to encourage affordable and workforce housing construction. The State also preempts cities from enforcing tenant protections such as rent control or landlord registries and proactive rental inspections. Therefore, the City has to rely predominantly upon public subsidies to create and preserve affordable homes.

JHA has repeatedly sought out state and federal subsidy programs for support in addressing affordable housing supply, such as low-income housing tax credits (LIHTC) and multi-family tax exempt bonds. However, these programs are extremely competitive, particularly when competing with larger cities. Small and midsize cities like Jackson often lack the attention and investments needed to meet housing demands, with state and federal opportunities more focused on larger urban areas or very rural areas.

JHA has two multi-family public housing developments that were built in 1941 and 1954 and do not lend themselves to modern amenities such as dryer connections and central air conditioning. The public housing stock is obsolete and in need of replacement. Currently Public Housing Authorities are not provided guaranteed funding for housing development. Though funds for development are not readily available, JHA/THDC continually seeks out resources in order to replace the obsolete public housing stock.

With limited funding sources for public subsidies to influence affordable housing development, Jackson's housing market will only become more competitive and expensive, resulting in the displacement of low-income residents who cannot afford to compete. While infill opportunities

exist, it is often more attractive to developers to build new subdivisions on the edges of the city instead, which becomes an accessibility challenge for residents who cannot afford transportation and need a more centralized living situation. This is further complicated by limited land availability for growth due to State annexation laws. To produce and preserve more affordable housing options in the heart of the city, we need to address challenges related to efficiency of infill development and gap funding that will allow developers to build affordably, instead of following the market rate demands.

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Exhibit D
Soundness of Approach
Applicant: City of Jackson, TN

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VISION

We envision a Jackson where every resident, whether relocating to, remaining in, or returning to our city, has a safe, affordable, and dignified place to call home. To accomplish this vision, we have established the following goals:

- Increase and diversify housing supply citywide
- Preserve existing attainable housing
- Improve access to housing options for low-to-moderate income individuals and families
- Reduce the number of individuals and families experiencing homelessness and strengthen homeless continuum of care
- Promote and protect quality and safety of existing housing stock

In particular, we seek to revitalize the heart of our city into a thriving, stable mixed income community where long-term and new residents can attain and sustain quality, affordable housing near schools and other critical amenities. This neighborhood is a portion of East Jackson known for planning and development purposes as Center City. The residents of this area located within the Census block group 471130008001 are 83 percent Persons of Color and the median household income is just over \$20,000. It is very important to both the City and partners that development in this area is done in a way that centers the retention of the residents currently living within the neighborhood and does not displace existing residents. Stakeholders described the vision for the neighborhood as being an inclusive destination for students and neighborhood residents through encouraging educational and recreational venues, neighborhood friendly retail and restaurants, enhancing roadways for multimodal use, and improving connectivity to surrounding areas. This includes the restoration of a historic residential neighborhood around Lane College, a nationally renowned Historically Black College (HBCU), Oman Arena (currently being renovated to serve as a multipurpose venue for the public school system and surrounding community), as well as Jackson Central Merry Middle/High School (JCM), which reopened last year after five years of closure.

We plan to accomplish this vision through providing new affordable housing infill developments alongside other public and private investments that are planned for the area. With a vacancy rate of 23.7 percent, this area is ripe for infill development. We are proposing to construct

approximately 40 new single-family homes over the next 5 years to help address housing affordability, neighborhood stability, and displacement prevention. These homes would be sold at target affordability rates of 80 percent and below area median income in order to benefit low- to moderate-income households. This benefit to households will begin with development and continue throughout the lifetime of the 30-year loan for each home, but the benefit to the surrounding community will continue well past the loan lifetime as this development will serve as a catalyst for private investment in infill, market rate housing. It will also coincide with additional public investments in schools and infrastructure, thereby creating a mixed-income, walkable community. Support from this grant will allow the City and its selected development partner(s) to efficiently construct the housing units at an affordable rate, and then create a revolving Affordable Housing Trust fund for residents' mortgage payments to flow back into projects to construct and preserve additional affordable housing options citywide. The City will prioritize recruiting and working with Minority/Women-owned Business Enterprise (MWBE) developers, construction companies, and subcontractors whenever possible to ensure that we are supporting diverse developers and contractors who historically may not have been prioritized in City contracts.

This vision builds upon the initial Community Redevelopment Plan for Center City District 1 which was published in 2009. As part of this plan, the area immediately surrounding JCM and Oman Arena was identified as a priority area for residential redevelopment. The plans for this development coincide with JHA's goal of securing tax credits to redevelop the existing Allenton Heights public housing project, which was built in the 1940s and is in urgent need of redevelopment.

One of our city's largest barriers to eliminating blight and preventing slums is preemption from the state to hold landlords accountable to housing standards. However, with the help of this grant funding, lots with blighted and vacant properties can be acquired and cleared for development. With new investment and development in an area that has long struggled to attract private investment, existing landlords with substandard housing will be pressured to improve their housing standards to remain attractive to tenants.

The units at Allenton Heights are aging, lack central air conditioning, lack laundry connections, and are small and very crowded for families in need of public housing (490 to 735 square feet for 1 to 3 bedrooms). JHA aspires to replace the existing housing development with new townhomes and apartments, redeveloping the site into a mix of single family attached and small apartment buildings, with units having features of more typical market-rate apartments like integral laundry and storage. The first phase of the replacement of Allenton Heights will be the construction of new multifamily housing and single-family housing by JHA utilizing low income tax credits. The multifamily component will be on the west side of North Royal, north of Preston Street. The single-family component will be on scattered sites predominantly on the east side of North Royal, north of Preston Street. Unfortunately, JHA was unsuccessful in its tax credit application this year due to the State's prioritization of disaster recovery for another community; however, they plan to reapply next year. Leveraging JHA's investment coupled with a sizable investment in new single-family housing stock would completely transform and uplift this formerly disinvestment neighborhood.

South of Preston Street, several infill residential lots have been selected as targets by the CRA for new single-family dwellings facing Preston Street or Hale Street. Those on Hale Street could join others facing a new park between Hale, Bishop, North Church, and North Cumberland Streets on a block where only a handful of buildings remain (one of which is a questionable retail store). This would create a community park space with "eyes on the park" and tie into park space and a planned pedestrian trail system along Central Creek south of Hale Street. North Liberty Street could be made to connect with North Church Street and have residential development where several vacant and boarded up homes are today. Several streets are in need of upgraded sidewalks, street trees, lighting, and other streetscape elements, especially those which would connect the various parks, schools and new developments together. These streetscape and community infrastructure improvements are main goals identified in the updates to the City's Master Plan that are currently underway.

As part of this neighborhood revitalization plan, we also seek to improve the efficiency and quality of affordable housing infill development by contracting with an architectural firm to develop a plan book of pre-approved housing plans for this area. The plan book can be utilized to

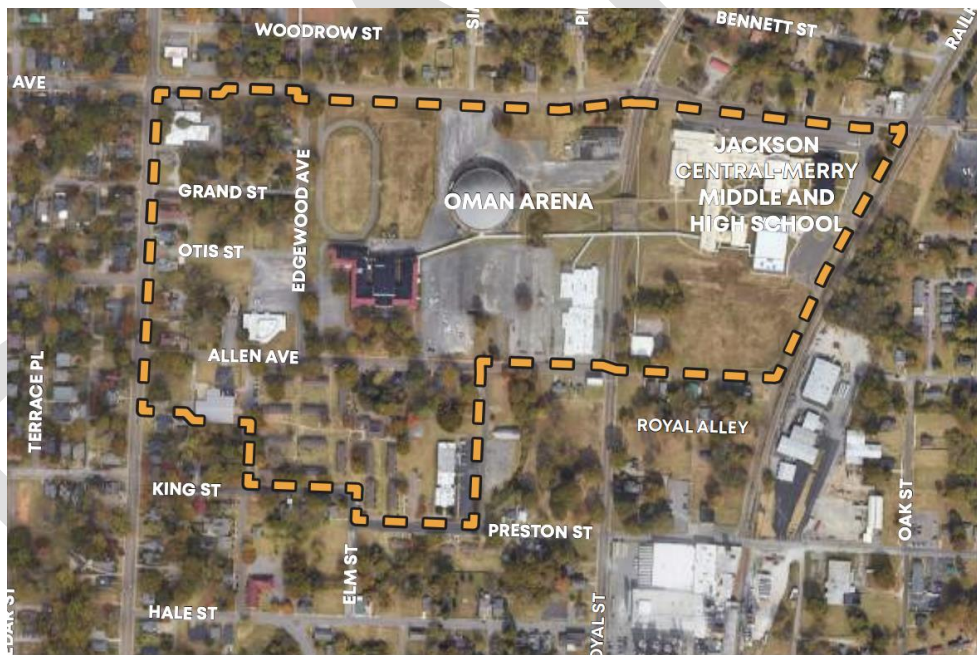
expedite the development process and reduce development costs through elimination of design fees, while ensuring development that fits the unique character and needs of the neighborhood. It will also allow the developments to be expedited through the permitting process.

Past Efforts and Lessons Learned

A previous project that was completed over the past decade in a similar redevelopment area, Jackson Walk, did not include affordable housing provisions. This resulted in significant displacement of residents and resegregation of the area by race and income. This development came in the wake of a natural disaster that destroyed much of our downtown core. While the western side of the downtown core became the Jackson Walk development, the eastern side did not enjoy the same level of development despite being equally decimated and it has not received the same degree of investment since. We aim to learn from this project and thus ensure more equitable neighborhood outcomes by subsidizing affordable housing development first, and incentivize market rate, private development to follow.

GEOGRAPHIC SCOPE

The geographic scope of our proposed area of focus includes the Oman Arena Subarea, as designated in the City's One Jackson Civic Master Plan. The boundaries of this area include Lane Avenue to the North, Royal Street to the East, N Liberty Street to the South, and Highland Avenue to the West. This area coincides with the boundaries of Census Tract Block Group 4711300008001. This neighborhood is in the center of an Opportunity Zone and Qualified Census Tract. Our proposed development would be transformative for this neighborhood, which over the last few decades has fallen into severe disinvestment, with large tracts of blight and vacancy, a concentration of pre-1940s public housing, and a large portion of low-income and impoverished renters. By reintroducing quality, affordable housing to this historic neighborhood, we will be expanding opportunity in an underserved neighborhood to reestablish generational wealth, neighborhood stability, and a community anchored around local educational institutions. The figure below depicts the boundaries of the proposed area of focus.



KEY STAKEHOLDERS

Residents for this neighborhood have been engaged in a variety of planning efforts over the last decade as part of the CRA's efforts to bring reinvestment to this neighborhood. Most recently, the City and its partners held a stakeholder convening and public open house to inform updates to the City's Master Plan that includes a small area plan being developed for this area. The plan is estimated to be completed by January 2024 for review and adoption by the City of Jackson Planning Commission and City Council next spring.

On July 21, 2023, representatives from the Greater Jackson Chamber, City of Jackson, and Looney Ricks Kiss (LRK) architecture firm were joined by approximately 25 stakeholders from the Oman Arena study area to discuss the goals, hurdles, and vision for future development through a day-long urban design workshop at Lane College. Stakeholders included representatives from JHA, Lane College, the Salvation Army, Jackson Central Merry Middle/High School and Jackson Central Merry Early College High School, Jackson Madison County Schools (JMCSS), Healthy Communities, LLC, United Way of West Tennessee, and local residents/entrepreneurs who currently reside in or could benefit from affordable housing.

The workshop began with a stakeholder meeting, where LRK presented a brief overview of the study area and facilitated discussion among the participants. During this session, stakeholders identified areas of opportunity, suggested site and connectivity enhancements, and confirmed the vision for the study area. This was followed by sketching and pin-up sessions to visually illustrate and showcase stakeholder feedback. To conclude the workshop, LRK presented the draft concept sketches paired with character imagery for the area during a public open house, where approximately 45 general community members attended to contribute their concerns, insights, and perspectives.

Stakeholders enthusiastically shared their vision for the study area by highlighting several key assets that contribute to the unique character of the neighborhood, an educational and cultural center of Jackson. They emphasized the value of sense of community, relationships, and referred to the area as the "Soul of the City". Lane College, area schools, and other community anchors provide the foundation for a neighborhood rich in pride, history, and memories.

Open house participants expressed their desire for strengthening connections between existing assets and providing safe routes for pedestrians to reach nearby destinations. Participants noted a need for attractive gateways, improving the roadways and intersections, and providing enhanced wayfinding to provide interest in and change the perception of the neighborhood. A priority for the stakeholders was to create new opportunities for neighborhood retail, restaurants, activities, and services for youth.

Access to healthy food remains another challenge for the area. Stakeholders expressed a desire that the forthcoming public investment by JMCSS in Hub City Center, the Central Office, educational facilities, and the new football stadium would be a catalyst to obtain investments such as a neighborhood grocery, pharmacy, retail, and restaurant options, as well as arts and entertainment venues. Stakeholders expressed the need for beautification, revitalization, and a variety of affordable housing options with the goal of maintaining an inclusive and diverse community.

There is a desire for infill development that is respectful of the area's historic architecture as well as providing opportunities to apply for grants for rehabilitation and improvements to existing homes. One aspect of achieving a vibrant and attractive community is to incorporate services to help educate residents such as providing a how-to guide for improvements, maintenance, and incentives available for blight remediation. Participants emphasized the importance of housing attainability, yet acknowledged the challenge of rising real estate and construction costs. A wide variety of housing options for families, students, and seniors were discussed including the need to infill vacant properties, explore attached housing to reduce construction costs, and find supplemental funding sources to bridge the gap for affordability. Activities for youth, community open space, safe walking trails, and amenities were also mentioned, and the Central Creek Greenway could be used by the neighborhood in response to these needs.

In addition, participants noted a desire to connect to other parts of the city, particularly Downtown and the University of Memphis at Lambuth. Lastly, the group emphasized the importance of securing funding for infrastructure enhancements, including but not limited to

streetscape improvements to Lane Avenue, cultural and artistic interest at the Royal Street Pedestrian Breezeway, and creating more public gathering spaces such as an amphitheater. These enhancements could help strengthen relationships, change perceptions, and build pride in the community.

Stakeholder input was conceptually documented during the design workshop and feedback received during the evening public open house enriched the collaborative process. This feedback has heavily informed our funding proposals as we seek to implement the community's vision of an inclusive, vibrant community with quality, attainable homes and reactivated lots, while preventing displacement due to reinvestment.

Local housing industry leaders, to include nonprofit and private developers, contractors, developers, architects, and builders were engaged in this planning effort, as well as previous roundtables hosted by the Greater Jackson Chamber. In these roundtable sessions, housing stakeholders identified similar challenges as previously discussed relating to funding, capacity, and lack of incentives to drive affordable housing development, particularly in a market with such high overall housing demand.

Feedback from these and other neighborhood stakeholders will be solicited throughout the grant process, to include a public hearing on the grant proposal pre-award, as well as post-award town halls, surveys, and design workshops. The resident participation process for this proposal includes holding a public hearing meeting on the draft grant proposal for public review and comment. Publication of the notice of this hearing was published on the City of Jackson's website and a Public Hearing Notice was sent out to all local media, and flyers were posted at five locations in the subject area. Notices of meetings were emailed to the county government, local agencies and other interested parties. In addition, the Notices of Public Hearings were also made available in Spanish, if needed. The public hearing will be held October 26, 2023, at 5:00 p.m. In all meeting advertisements, special accommodations (including translation, interpretation, and services for the hearing impaired) will be made available.

The public could also request an email copy of the draft proposal by contacting lkirk@jacksontn.gov or calling 731-425-8313. To be considered all public comments on the draft HUD PRO Grant Application could also be submitted in writing and received by 5:00 p.m. CDT on October 26, 2023. Comments could also be received by email at lkirk@jacksonth.gov, by mail at Attn: HUD PRO Grant 2023, Mayor's Office, 121 E Main Street, Suite 301, Jackson, TN 38301, and through a form on the homepage of the City of Jackson's website.

Public participation in the grant application process helps to positively impact goal setting by helping increase awareness of needs in the community. It also enhances our organizational efforts to address needs identified by the community, whether through inclusion in this proposal, or through involvement in other programs and initiatives.

Community members' feedback to the proposed development project will be considered in each stage of the grant planning and implementation, with adjustments to the development plan made according to residents' needs and shared vision for their neighborhood.

ALIGNMENT

There are many types of barriers to affordable housing including discriminatory practices in renting, leasing, and purchasing, zoning, lack of safe, decent and affordable housing, lack of accessible housing, neighborhood improvements, and education. Fair Housing Laws prohibit discrimination in housing for protected class members. The 2019 Analysis of Impediments (AI) identifies any impediments to fair housing for the City of Jackson and recommends remediation actions for each of the impediments. Some barriers that were identified in the AI include 1) accessibility to fair housing for special needs populations; 2) concentrated poverty areas; 3) cost burdened residents with housing affordability issues; and 4) development constraints and supply of available land for housing development hampers new affordable housing production.

Affordable housing development is impacted by the limited resources available to acquire land and build affordable housing units or to acquire and renovate affordable housing units. Also, the CDBG and HOME funds have not increased substantially over the years to invest as needed in affordable housing. Nonprofit housing developers do not have the financial resources to construct affordable housing without the availability of some type of incentives that would allow for further affordable housing reinvestment into the community. Our proposal directly addresses this barrier by providing substantial public subsidies coupled with land for infill affordable housing development.

The AI analyzed whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the City of Jackson are affected by public policies such as land use controls, zoning ordinances, building codes, etc. Review of the city's zoning ordinance and public policies were examined to reveal any current ordinances or policies that might impose barriers to fair housing and affordable housing. It was determined that the City provides support for affordable, fair housing initiatives to the greatest extent possible through its land use planning and development processes that are not preempted by State law.

The City of Jackson is committed to removing or reducing barriers to the development of affordable housing whenever possible citywide. A variety of actions include, among others, reducing the cost of housing to make it affordable. To achieve this goal, the City 1) provides

financial counseling, down payment, and closing cost assistance to lower-income homebuyers 2) promotes Federal and State financial subsidy programs for affordable housing.

The non-governmental barriers, primarily market factors such as high land costs, construction costs, and high prevailing market prices for housing, have been the primary challenges facing jurisdictions in the region over the last few years. These barriers are being addressed, within the City's limited ability to address them, through the housing development plan detailed in this proposal, and through other goals.

This project will significantly impact neighborhood desegregation through coordinated reinvestments and a mixed-income, diverse housing model. While there is a small concentration of public housing in the neighborhood (Allenton Heights), plans to redevelop this complex, in addition to growing housing demands and substantial, complementary investments for this area puts it at significant risk for gentrification and displacement of long-term residents. As aforementioned, the Jackson Walk development area taught us many lessons that we will carry forward into new redevelopment efforts. Additionally, focusing on single family affordable housing will help to deconcentrate public housing in this area, rebuild the physical and social fabric of the neighborhood, and offer underserved families an equitable path toward generational wealth through homeownership and housing stability. We will continually monitor our goals for achieving neighborhood desegregation and equity through ongoing tracking of neighborhood demographic shifts, and families who directly benefit from this investment.

The City ensures compliance with the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 for all new housing construction projects. In addition, the City requires all projects receiving HOME funds to adhere to the requirements of 24 CFR 92.351 and to follow its affirmative marketing procedures and requirements. This project will adhere to all of these requirements and aligns with JHA's Annual Action Plan goals for fair housing and affordable housing production. We will prioritize MWBE businesses for outreach, bids, contracts, and subcontracts for this project.

BUDGET JUSTIFICATION

Majority of the requested PRO Housing Funds are being requested for constructing the Central City single family housing development. As noted in the Need section, Jackson has a growing demand for affordable housing and deeply affordable housing, and particularly for diverse housing options that support homeownership. Eligible costs include acquisition, predevelopment costs, and construction costs. All funded units would benefit low- and moderate-income persons. Projects will be selected through a competitive process in accordance with HUD regulations and policies for construction projects.

For this neighborhood, a three-bedroom, single family home of roughly 2000 sq. ft would appraise at a fair market rate of \$140K-\$150K, but cost approximately \$200K to build, which includes all hard and soft costs associated with construction. These figures are based on an analysis of recent housing permits issued by the City, as well as recent builds by Habitat for Humanity of Jackson, TN. To construct 40 new homes at this rate would cost approximately \$8M. The City of Jackson would waive the permitting fees for this development project.

In addition to these construction costs, the cost to develop a pre-approved plan book to support the efficiency, affordability, and quality of this development would be approximately \$140K. These estimates were provided in previous quotes from architecture and engineering firms specializing in development of these plans. Costs include \$20K for staff time to conduct plan collection and compilation, and \$2500-3000 per home for plan sale.

These development costs, along with associated administrative costs for the grant, to include all indirect costs such as environmental reviews and procurement, would result in a total cost of approximately \$9M.

These homes would be sold to homebuyers through THDC at target affordability rates of 50-80 percent of area median income, for an average of \$150K per home. These would be traditional 30-year mortgages with down payment assistance/waivers offered. Target populations for these mortgage programs include first time home buyers, elderly, disabled, and others experiencing fair housing challenges. Mortgage payments would go back into a revolving Affordable Housing

Trust Fund to be jointly managed by the City and THDC for additional affordable housing production and preservation projects, thereby making it a sustainable development with long term impacts.

Activities	Estimated Cost	Leverage	Justification
Pre-Approved Infill Housing Plan Book Development (30'x100' lots; 1500-2000 sq. ft homes)	\$140,000	\$272,000	\$20,000 for compilation of plan book by A&E firm; plan sale \$2500-3000 per house (x40)
Central City Single Family Housing Development (40 units)	\$8,000,000	84 CRA lots (designated for project and mixed-income development leverage) valued at approximately \$20K per lot for a total of \$1.68M	\$200,000 per unit to cover all hard and soft costs associated with construction, such as sitework, inspections, labor and materials, etc.
Grant Administration Fees	\$814,000		<p>10% Grant Administration Fee, to include all indirect costs. We anticipate utilizing existing program staff, with 30% of time focused on grant administration and oversight.</p> <p>In addition, grant administration funds will cover JHA's costs related to performing Environmental Reviews and Procurement on behalf of the City of Jackson. These projected costs are based on decades of administering HUD grant programs and</p>

			established indirect cost rates.
TOTAL REQUEST:	\$8,954,000	\$1,952,000	

Minimum Funding Plan: If we were unable to secure funding for full development costs, we could develop an alternative plan for a subsidy of \$50K per unit to cover the gap between what the mortgages would cover and the total cost of construction. Additional indirect costs for each house, to include environmental reviews, appraisals, surveys, permits, and other administrative activities average \$20-30K per unit. This would equate to approximately \$3.2M total to cover the gap in construction costs for 40 homes. This plan could be scaled down to accommodate a smaller development; however, we believe 40 homes is an ideal target for this neighborhood’s needs, the local housing construction market’s capacity for infill development, and to achieve greater neighborhood stability through transition by adding 10-15 new homes to the area annually over the next 5 years. If awarded 50 percent or less of the grant request, we could provide subsidy funding for the development of \$3.2M as detailed above, in addition to fully funding the development of the pre-approved plan book and other necessary grant administration costs, for an estimated total of \$3,674,000.

PROJECT SCHEDULE

The timeline and key project milestones are detailed in the table below.

Activity	Milestones
Pre-Approved Infill Housing Plan Book Development (30’x100’ lots; 1500-2000 sq. ft homes)	<ul style="list-style-type: none"> ● RFP Released: Within 3 months of grant agreement (Target: May 1, 2024) ● Procurement Closed & Evaluation Complete: Within 6 months of grant agreement (Target: June 1, 2024) ● Environmental Review Complete: Within 8 months of grant contract (Should be Exempt.) ● City Council Contract Approval: Within 8 months of grant contract (August 1, 2024) ● Funds Obligated: Upon contract execution ● Project Start Date: Upon contract execution ● Project Closeout: Upon final invoice and report (Estimated 3 months to complete once contract awarded)

<p>Central City Single Family Housing Development (40 units)</p>	<ul style="list-style-type: none"> ● RFP Released: Within 3 months of grant agreement (Target: May 1, 2024) ● Procurement Closed & Evaluation Complete: Within 8 months of grant agreement (Target: August 1, 2024) ● Environmental Review Complete: Within 14 months of grant contract (Likely require Environmental Assessments.) ● City Council Contract Approval: Within 2 months of receiving Release of Funds from HUD ● Funds Obligated: Upon contract execution ● Project Start Date: Upon contract execution ● Family Selection, Counseling, and Homebuyer Preparation: Ongoing following contract execution ● Pre-Construction and Design Development Phase: Estimated 6 months for completion ● All Units Completed and Funds Expended: Estimated completion of 10-15 homes per year over five years ● Project Closeout: Upon final invoice and report (Target April 30, 2029)
<p>Grant Administration</p>	<ul style="list-style-type: none"> ● Duration of the grant/period of performance
<p>TOTAL REQUEST</p>	<ul style="list-style-type: none"> ● Application Due: October 30, 2023 ● Expected Award Announcements: January 2024 ● RFPs Released: May 2024 ● Contracts Awarded: August 2024 ● Project Implementation: Remainder of Grant Term ● All Funds Obligated By: October 2024 ● All Funds Expended by: June 30, 2029 ● Grant Period Ends: September 30, 2029

Exhibit E
Capacity
Applicant: City of Jackson, TN

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STAFF AND PARTNER CAPACITY

The City of Jackson will serve as the lead agency in planning and implementation of the grant. Lauren Kirk, the Chief Innovation Officer for the City, served as the lead grant writer for this application and will serve as the lead project manager for grant administration activities, in partnership with City and JHA staff. Lauren has extensive experience in grant writing and management over the last 10 years, including securing and managing multiple federal and state grants, including two National Park Service grants, in her previous role at the Clayborn Temple Restoration Project and over \$700K in federal, state, and private grant funds in her tenure at the City of Jackson since 2019. In addition to state, federal, and private grants, Lauren's team has been successful in planning and administering \$2.5 million in American Rescue Plan Act (ARPA) funds for housing programs. Her talented team is comprised of professionals with strong experience in project management, community engagement, and community development. The City's Finance, Procurement, Legal, and Audit Division Directors and staff will also support the implementation of the grant to ensure compliance with all HUD and City of Jackson policies and procedures, internal controls, and quality assurance. The organizational chart below identifies names of key management for proposed PRO Housing activities. There are no gaps in capacity or positions contingent on the grant award.

Compliance and oversight will be achieved through a variety of means. In addition to posting regular required reports and project updates on our website, we will track progress on HUD PRO Housing activities through our Housing Dashboard. Financial management will be provided by the City's Finance Department as well as the Purchasing Department.

The City of Jackson, as lead agency, will partner with the Tennessee Housing Development Corporation (THDC), the nonprofit entity of the Jackson Housing Authority. The THDC has been in existence for more than 15 years and has received seven multi-family tax exempt bond and low-income housing tax credit deals, of which included two Rental Assistance Demonstration (RAD) projects. Through these programs, THDC has successfully renovated 487 existing units and constructed 147 units of multi-family affordable housing. Also, in 2008 the city and JHA joined together for a single-family infill initiative. JHA's nonprofit, THDC,

acquired vacant city lots and constructed 22 new 3-bedroom, 2-bath single family homes for homebuyers.

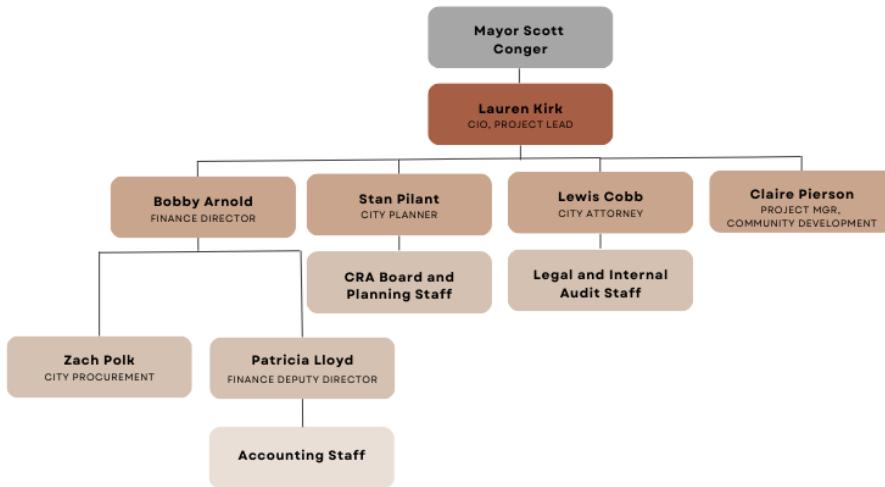
JHA/THDC staff that will be directly involved in the PRO-Housing Grant administration include the Executive Director, Deputy Director, CFO, and Director of Development and Facilities.

Other staff as needed will be available. With current partnerships and previous project experiences, processes are readily available to begin work on the PRO-Housing grant project, if funded. The team listed above each have greater than 10 years of experience in the development and implementation of affordable housing. The team also includes staff that have 23 years of experience with community development program administration, including the CDBG program. The organizational chart below identifies names of key management for proposed PRO Housing activities. There are no gaps in capacity or positions contingent on the grant award.

The JHA/THDC has worked with a vast selection of contractors during the renovation and construction development projects. The JHA/THDC has positive working relationships with funding agencies such as HUD, TN Housing Development Agency, and banking institutions throughout the community. The community is always an important part of all projects carried out by the JHA/THDC. The JHA has a Resident Advisory Board of whom is included in all aspects of the JHA's planning and projects.

The City, JHA and its subsidiaries partner with the local legal services agency, West Tennessee Legal Services, to assist with all fair housing issues, education, advocacy, etc. in an ongoing effort to reduce racial disparities.

**City of Jackson
Organizational Chart**



**Jackson Housing Authority
Organizational Chart**

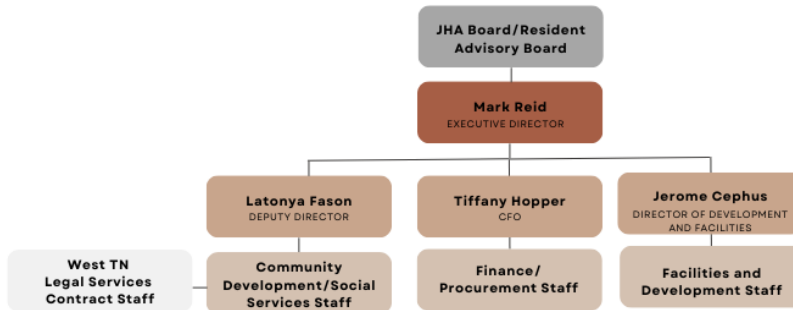


Exhibit F
Leverage
Applicant: City of Jackson, TN

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LEVERAGE

Alongside the proposed housing developments for this neighborhood through this proposal and the aspirational redevelopment of Allenton Heights, additional public investments in this area being leveraged by this application include:

- \$272,000 contract with LRK, Inc. for the development of citywide design guidelines and subarea plans, to include the Oman Arena Subarea plan specifically for this neighborhood. Subarea plan will provide recommendations for neighborhood design, infrastructure investments, and land use planning. Estimated completion by early January 2024.
- \$25M Phase 1 JMCSS investment in Oman Arena renovations and development of Hub City Central stadium, with future planned investments to relocate central office and establish a family resource hub
- 84 lots currently held by the CRA in this neighborhood for affordable housing and community development, valued at approximately \$20,000 per lot for a total of \$1,680,000

Leverage documentation is provided in Attachment F.

Exhibit G
Long-Term Effect
Applicant: City of Jackson, TN

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LONG-TERM EFFECTS

If awarded, the City of Jackson will be able to directly address our affordable housing challenges by providing financing for affordable housing production at a high impact scale, promoting infill development and neighborhood revitalization in the heart of our city. It will reduce cost burdens for residents not only through the housing options being provided, but also through locating the development along the main public transit route with easy access to main thoroughfares, bike lanes, and sidewalks. This project will also help us accelerate local developers' capacity, incentivize complementary private investments in housing and neighborhood amenities, and expand housing options through increasing access to affordable homeownership. All activities are expected to primarily benefit low- and moderate-income households.

The funding allocated for affordable housing financing coupled with leveraged public investment will result in an estimated 40 new units of single-family housing for households earning 80 percent or less of the AMI. Unfortunately, rising interest rates coupled with an increasingly expensive market has made it financially difficult for even mission-driven developers to build units that serve low income households. With PRO Housing funding, the City of Jackson will be able to serve more of our most vulnerable neighbors who otherwise may endure substandard housing, overcrowding, homelessness, or other cost burdens related to housing. The long-term effect is having a high quality, diverse housing supply and bringing restoration to a historic, though disinvested neighborhood in the center of our city. Beyond ensuring family stability and a pathway to generational wealth, this project will also have the long-term effects of promoting greater neighborhood stability, public safety, stronger community schools, and less residential displacement due to gentrification.

Reducing Cost Burden

All proposed activities aim to advance housing security through directly financing affordable housing, and developing new resources to more efficiently develop high quality, affordable housing for infill lots. The City and JHA staff have decades of experience administering affordable housing programs, and will conduct a comprehensive review of all proposed development activity to ensure cost burden alleviation remains a priority. PRO Housing funding would directly impact the lives of at least 40 households who otherwise would face significant

financial burdens and other challenges in accessing housing that is safe, affordable, conveniently located, and available to own instead of rent. Additionally, by addressing development barriers related to development capacity and land availability, will enable more affordable housing development particularly in areas of high redevelopment opportunity. Moreover, the pre-approved housing plan book will encourage a greater variety of housing types to be built, including more affordable single-family and cottage units. This will aid significantly in reducing the cost burden for developers and homeowners, and provide a pathway for more efficient development, in turn, encouraging more housing developers to consider this approach to infill development.

Promoting Community and Environmental Resiliency

The most significant environmental risks to residences in Jackson are from tornadoes and flooding, as identified by the City's Hazard Mitigation Plan and Community Redevelopment plans. This neighborhood in particular is part of a larger target redevelopment area that was devastated by tornadoes twenty years ago, resulting in greater challenges for building back neighborhood stability and resiliency.

Meeting housing demand through sprawl often places more buildings close to floodplains. Growing through infill development and increased density in established neighborhoods away from hazards can reduce the pressure for adding or keeping homes in areas prone to flooding. Additionally, our proposal to develop a pre-approved plan book to encourage quality, infill housing could result in greater density, as well as development that is more considerate of the neighborhood's stormwater management needs. This will help prevent development in environmentally precarious areas, and ensure housing stock that is not plagued by repetitive flooding as a result of design oversight.

In compliance with program requirements, any projects funded for development using PRO Housing funding will undergo an environmental review to determine that the proposed project does not negatively impact the environment nor have an adverse environmental or health effect on residents. City of Jackson and JHA staff have significant experience with implementing HUD-funded affordable housing programs, as well as Federal Emergency Management Agency

(FEMA) regulations, and will ensure all development projects comply with environmental requirements.

Identifying and Addressing Roadblocks

For this project to be successful, a thorough analysis of potential roadblocks will need to be conducted and revisited throughout the planning and implementation phases of the development. One initial roadblock may be hesitancy amongst housing developers for infill development in a disinvested neighborhood, alongside continued challenges with contractor capacity limitations. To mitigate this barrier, City of Jackson staff will conduct strategic outreach to educate the developer community on infill development opportunities and advantages, and the community benefits case for developing affordable units. We will in particular seek to collaborate with development partners who have had previous success with similar projects; if partners with this expertise are not available, we will seek to build the capacity of other local development partners through training and supportive services provided by JHA/THDC. Additionally, by offering design services through the pre-developed plan book, we hope to alleviate some of the expense and efficiency concerns of potential development partners, thereby incentivizing their participation in the rebuilding of a historic community.

Another potential roadblock for this project is rising inflation costs, especially in the construction industry, which could reduce the scale and impact of this development. While it is difficult to predict future market conditions, the City of Jackson and JHA are actively seeking new and existing affordable housing subsidy programs, many of which could be coupled with PRO Housing funding to develop a financially sound and sustainable project that provides more affordable units and associated needs for a thriving, mixed-income community.

Sustaining and Scaling Long-Term Success

While the PRO Housing funding will result in tangible outcomes for a neighborhood with the greatest redevelopment opportunity within the city, the processes involved with program implementation will help build the City's partnerships and processes to more adequately and efficiently address our ongoing affordable housing challenges.

For example, providing financing for single family affordable units will provide a new opportunity for Jackson's local development community to learn strategies and best practices for developing affordable housing based on a homeownership model instead of a multi-family rental model that emphasizes family and neighborhood stability. If awarded, \$8 million in PRO Housing funding will be leveraged with an additional \$1.952 million from local investments to develop 40 new affordable single-family homes. Alongside this planned residential development, an additional \$25M investment in public school and community facilities will be leveraged to develop the infrastructure for an attractive, mixed-income community with quality schools, community facilities, greenspace, and multimodal connectivity. Moreover, the outreach and education efforts surrounding this activity could indirectly result in additional units thereafter.

With many small to mid-sized cities seeing an increase in population across the nation, this proposal represents a model to offer those communities for community reinvestment, affordable and diverse housing production, and alleviation of some cost and time burdens for development through pre-approved housing plans. It also presents a way to establish a sustainable funding model by offering an upfront public subsidy to build the housing with the establishment of a revolving loan fund over time to further additional affordable housing projects via mortgage payments. This plan also is a model for addressing desegregation by race and income through bringing a sizable investment to a neighborhood with a high impoverished and racial minority population, and offering a way to ensure neighborhood affordability and stability without displacement through revitalization.

While this project will directly result in new homes for our most vulnerable neighbors, together, the proposed activities will transform our development capabilities that have slowed our progress towards critical affordable housing production and infill development.

Attachment A
Summary of Public Comments*
Applicant: City of Jackson, TN

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*To be added to final grant application package

Attachment B
Required Forms*
Applicant: City of Jackson, TN

DRAFT

*To be added to final grant application package

Attachment C
Certificate of Consistency with Consolidated Plan*
Applicant: City of Jackson, TN

DRAFT

*To be added to final grant application package

Attachment D
Authorization to Submit Grant Application*
Applicant: City of Jackson, TN

DRAFT

*To be added to final grant application package

Attachment F
Letters of Support*
Applicant: City of Jackson, TN

DRAFT

*To be added to final grant application package