



MEDIA RELEASE

MAYOR INDYA KINCANNON DELIVERS HER FIRST STATE OF THE CITY ADDRESS AND ANNOUNCES COVID-19 RECOVERY FUND

Today, Mayor Indya Kincannon proposed her first budget for the City of Knoxville. While this budget comes amidst unprecedented times, the Mayor emphasized that the City will maintain services and quickly assured residents there are no plans for a tax increase to make up for revenue lost because of the COVID-19 pandemic.

Mayor Kincannon said, "The City of Knoxville is fortunate to be on firm financial footing, despite the very real impacts of COVID-19 and the reduced sales tax revenues that we project over the coming months. Years of responsible stewardship of taxpayer dollars affords us the ability to weather the economic implications of this storm without furloughing staff, cutting services, or deferring maintenance of critical infrastructure."

The Mayor went on to explain how the proposed budget, though austere, continues to reflect the core values of her administration and of the Knoxville community:

- Public Safety
- Healthy and Connected Neighborhoods
- A Clean and Resilient Future
- Thriving Businesses and Jobs.

The full budget document outlines proposed and continued investments in these ideals. Although the proposed capital budget is smaller than in recent years and focuses on core infrastructure needs, the operating budget maintains the staffing and resource levels necessary to continue to advance key City priorities.

As in past years, the largest portion of the budget is devoted to the operations of the Police and Fire Departments in order to advance Public Safety as a primary and core function of City government. In order to support continued improvements in transparency and accountability within the Police Department, the budget includes funding of \$746,400 for the deployment of body worn cameras, along with software and staffing.

The budget also advances the City's commitment to affordable housing. "Especially now," Mayor Kincannon said in her address, "the need for more affordable housing is clear." The proposed budget appropriates \$7.5 million to support affordable housing in Knoxville, including continuing the City's investment of \$2.5 million in the Affordable Rental Development Fund to support the creation of new affordable and workforce housing. In addition, \$4.5 million is allocated for Knoxville Community Development Corporation's revitalization of the Austin Homes community and another \$500,000 for improvements in the Western Heights neighborhood.

Mayor Kincannon emphasized the need to look ahead to the long-term needs of the community, including the need to be sustainable and resilient. The proposed budget continues the City's support for initiatives such as recycling and transit, as well as improvements in energy efficiency at City facilities. The capital budget proposes \$1.18 million to support critical repairs to the City's stormwater infrastructure, while recognizing a long-term need for additional funding to help Knoxville be more resilient to flooding from heavy rains, like those experienced in the City the past two years during the month of February.

In the address, Mayor Kincannon acknowledged the uncertainty and challenges facing the private sector and stressed the City's commitment to working with local partners to ensure a healthy economy. The budget continues to support job growth and development, including providing \$540,000 for business development efforts led by the Knoxville Chamber and Knoxville Entrepreneur Center. To support long-term workforce development efforts in the community, the budget also maintains the City's partnership with the Community Schools Initiative and funds upgrades at City recreation centers to enhance technology access for residents.

These investments were announced during the Mayor's State of the City address, which was not delivered in a public ceremony, as it has been in recent years.

The City had intended this year's address to be delivered from the site of the new Safety Complex, currently under construction in North Knoxville. This \$46 million project is designed to revitalize vacant buildings, strengthen the neighborhood and consolidate the City's public safety services.

Instead, because of the COVID-19 pandemic, Mayor Kincannon spoke to the people of Knoxville through a video release.

While this format in itself was stark reminder of the reality facing the Knoxville community, Mayor Kincannon offered a message of resilience and unity. "It is a time of adaptation, of innovation, of collaboration, and of efficiency," she remarked.

Concurrent with the FY21 budget proposal, the Mayor also announced a comprehensive COVID-19 recovery budget, which outlines a City commitment of more than \$4.1 million to support the community's response to the pandemic and address immediate needs facing residents.

Among this, the single largest investment comes to support residents who are struggling with housing. More than \$1.1 million will go toward direct rent and mortgage payment assistance.

Mayor Kincannon said, "We are very aware many people have lost their sources of income and are worried about paying their rent or mortgage. That is why it was imperative that the City develop a program that can help ease that burden."

The majority of the housing support dollars will come from Community Development block grants. Details on how and where to apply for funding will be released in the coming weeks.

The COVID-19 Recovery Budget includes expenditures incurred since Mayor Kincannon declared a state of emergency on March 16, 2020. The City has already

spent over \$1 million on needs related to COVID-19, including \$700,000 for Zoo Knoxville, \$95,000 for “The Guest House” to serve individuals experiencing homelessness, \$100,000 for Community Action Committee’s Homeward Bound program, and over \$115,000 for expenses incurred for emergency response.

Additional funding announced today includes:

- \$500,000 to the United Way COVID Response Fund to support local non-profits providing essential services for those affected by the crisis
- \$200,000 to fund Second Harvest, Mobile Meals, and other agencies responding to immediate food and nutrition needs
- \$349,637 through federal funds to purchase safety and personal protective equipment for Police
- \$428,017 in locally- and federally-funded grants to agencies supporting individuals experiencing or facing homelessness
- \$100,000 for workforce development efforts to support long-term recovery
- \$417,500 for Public Safety COVID-19 Response Bonuses in appreciation of first responders in the City’s Police & Fire Departments.

“This package represents a collective commitment by the City to help our community respond to this pandemic,” said Mayor Kincannon. “In laying out this proposal, we also know needs will continue to evolve. Our response as a City will no doubt need to evolve in turn.”

The Mayor will present her budget to City Council on May 5, 2020 for a first reading. It will require two readings prior to the start of the new fiscal year on July 1, 2020.

For the full text of Mayor Kincannon’s State of the City Address and all supporting budget documents, go knoxvilletn.gov/budget.

Mayor Kincannon will also be available to answer any budget related questions during a Facebook Live scheduled for 3pm Friday, April 24, 2020. Questions can be submitted ahead of time by emailing them to kfarley@knoxvilletn.gov.

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