



FY2014 Annual Strategies

- Manage Regulatory and Legislative Changes
- Five Point Comprehensive Redevelopment Plan
- KCDC Portfolio Management
- Improve Processes
- Workforce Development

FY2014 Operating Budgets

ANNUAL



BUDGET



**BUDGET
PLANNING**

Operating Budget Process

- Collaborative Process between Accounting Division, Program Staff and Management
- Accounting Division: Fixed Costs and some Variable Costs
 - Example: Wages, Interest, Insurance
- Program Staff: Variable Costs
 - Example: Administrative, Maintenance, Utilities, Non-routine
- Managerial Review
- Asset Management Model:
 - Project-based accounting and budgeting, fee-for-service model
- HUD Board Resolution: Public Housing and Central Office Cost Center (COCC)
- Other Board Resolutions: Section 8, Redevelopment, The Manor and KHDC

KCDC Operations

- Operating Programs: **\$29,497,390**
Budget Revenue
Including Reserves

HUD	Non-HUD and "Other"
Public Housing (69%) \$20,478,340	Central Office Cost Center (18%) \$5,326,530
Section 8 Related Programs (7%) \$2,149,640	The Manor (1%) \$278,180
	Redevelopment (1%) \$135,850
	KHDC (4%) \$1,128,850

Public Housing Operating Program



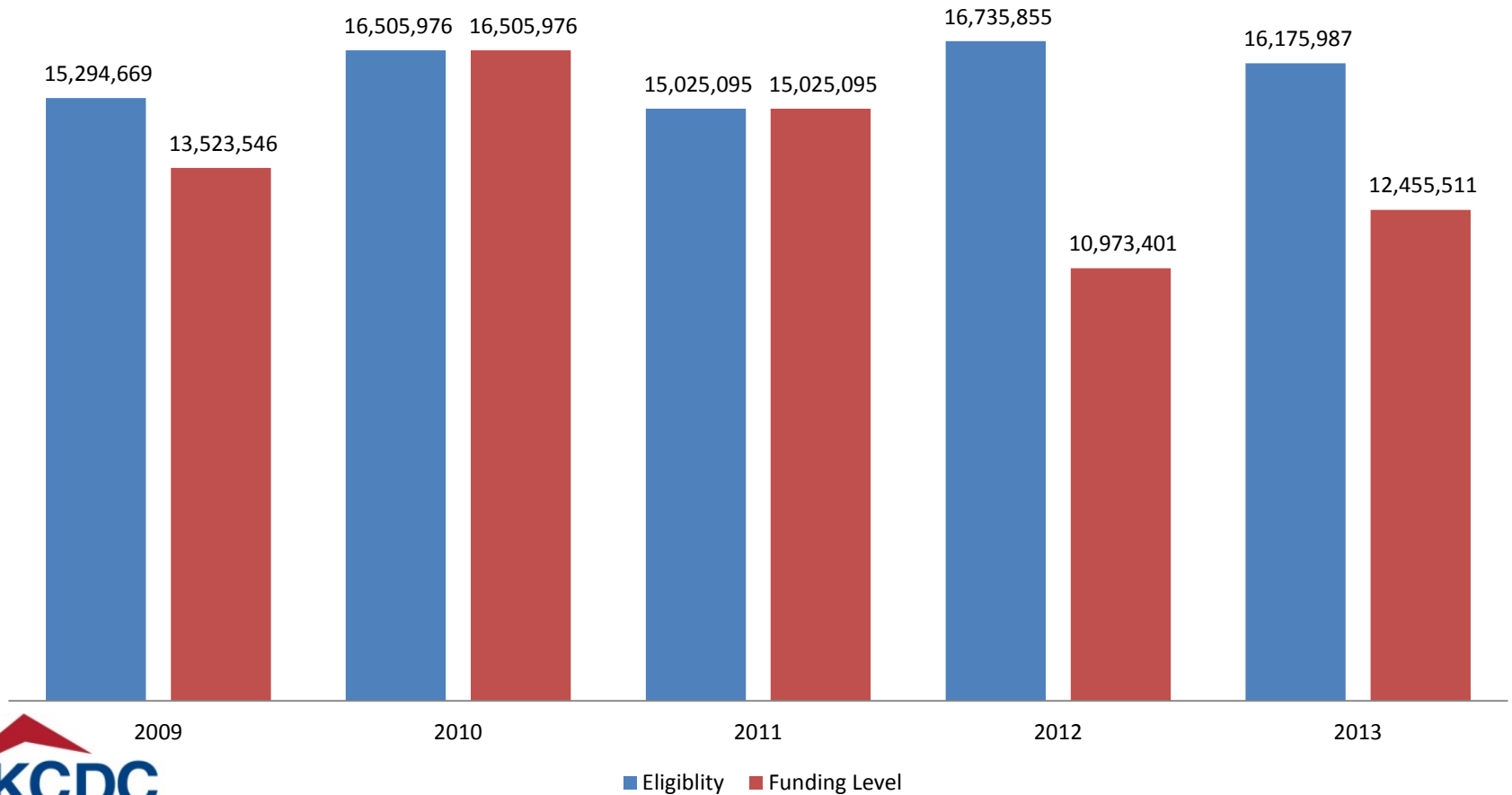
Public Housing

- Own and manage 3,510 units located in 25 separate properties at 12 management sites
- Revenue includes:
 - HUD subsidy calculated for each property:
 - Property and utility expense level (+) add-ons (–) dwelling rent
 - Dwelling rent
 - Other Tenant Income
 - Investment Income

Public Housing

- Expenses include:
 - Administrative
 - Resident Services
 - Maintenance
 - Utilities
 - Protective Services
 - Insurance
 - Interest
 - Non-routine
 - Other General

Operating Funds Overview

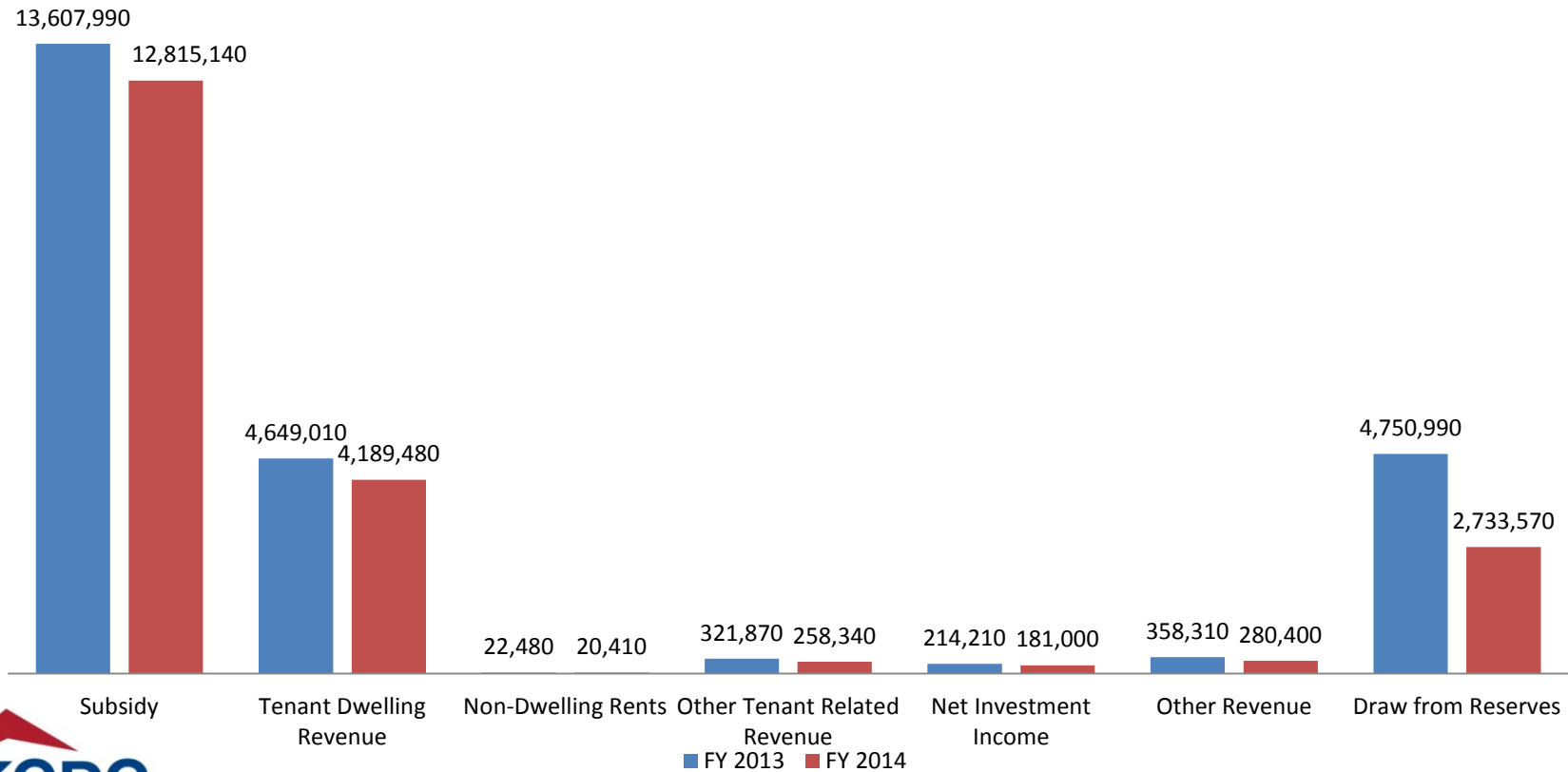


Public Housing Operating Subsidy Assumptions

- Subsidy is estimated at \$12,815,140
- Pro-ration at 77% for 2013 Formula
- Pro-ration estimate at 80% for 2014 Formula

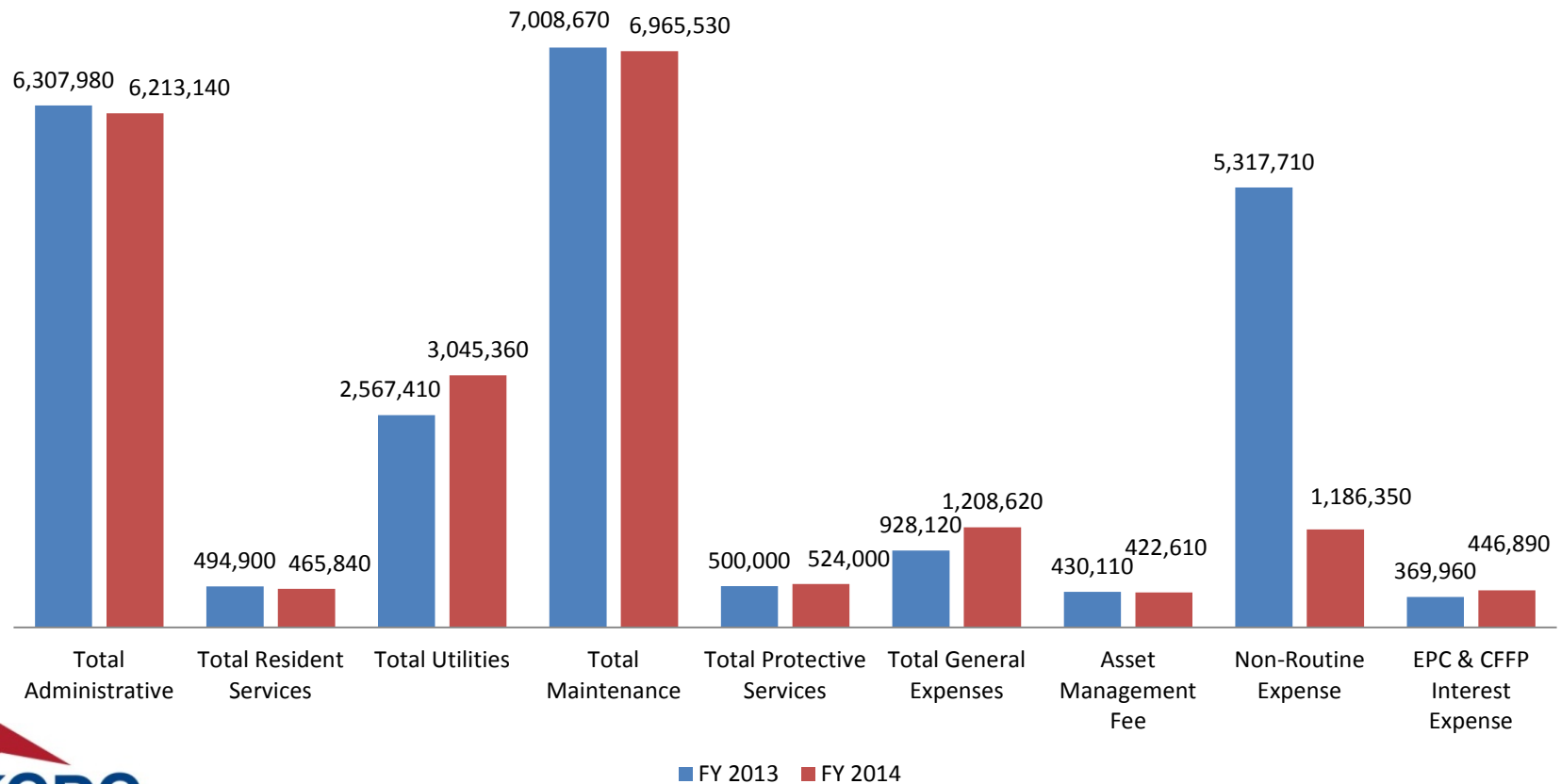
Public Housing Revenues and Reserves

\$20,478,340 Budget



Public Housing Expenses

\$20,478,340 Budget



Public Housing Reserves

Reserves as of June 30, 2012	\$22,843,251
FY2013 estimated draw from reserves	\$<3,863,420>
Reserves estimated at June 20, 2013	\$18,979,831
FY2014 estimated draw from reserves	\$<2,733,570>
Reserves estimated as of June 20, 2014	\$16,246,261

Central Office Cost Center



Central Office Cost Center

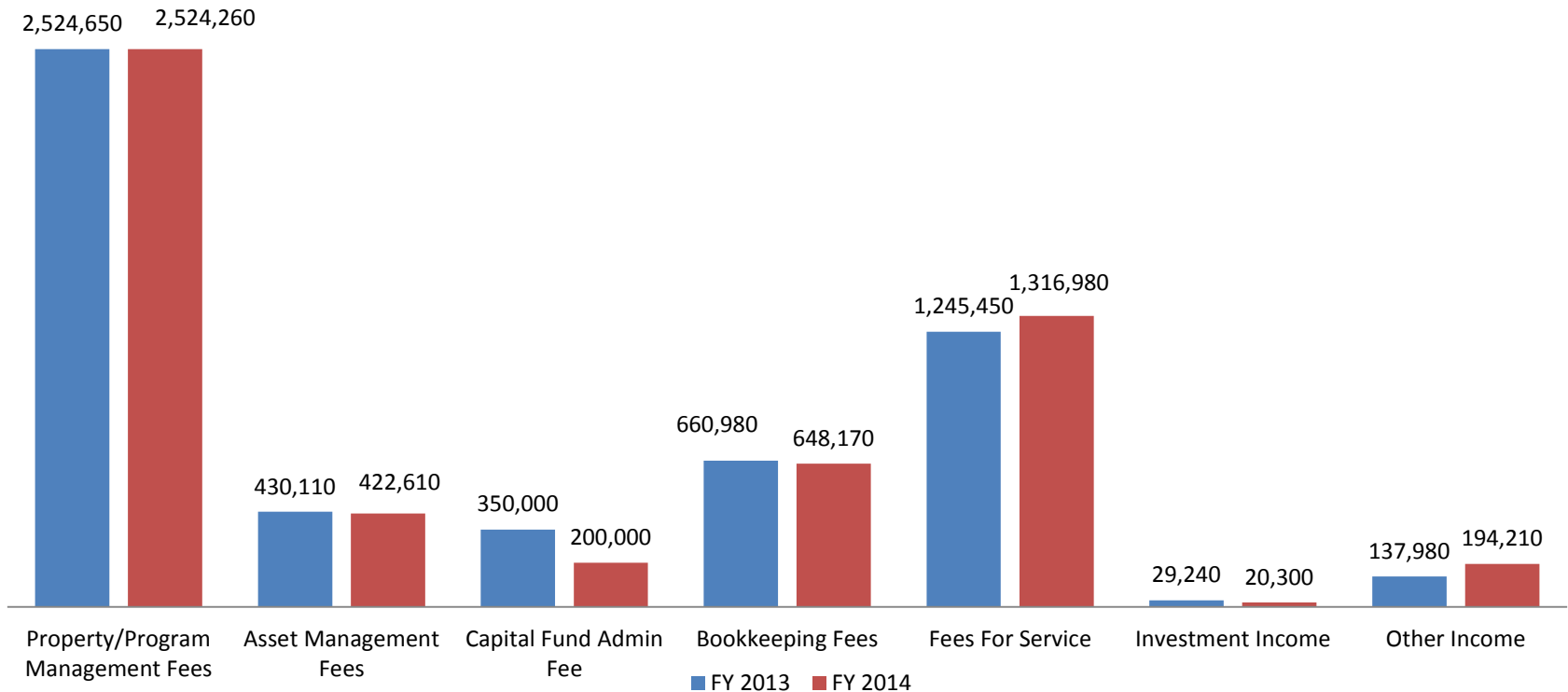
- Self-supported agency overhead broken down into divisions:
 - Executive Management
 - Accounting
 - Human Resources
 - Information Systems
 - Purchasing
 - Housing Management
 - Supportive Maintenance

Central Office Cost Center

- Revenues include:
 - Property Management and Bookkeeping Fees
 - Asset Management Fees
 - Fees for Service
 - Excess Energy Savings
 - Investment income
- Expenses include:
 - Administrative
 - Maintenance
 - Utilities
 - Insurance

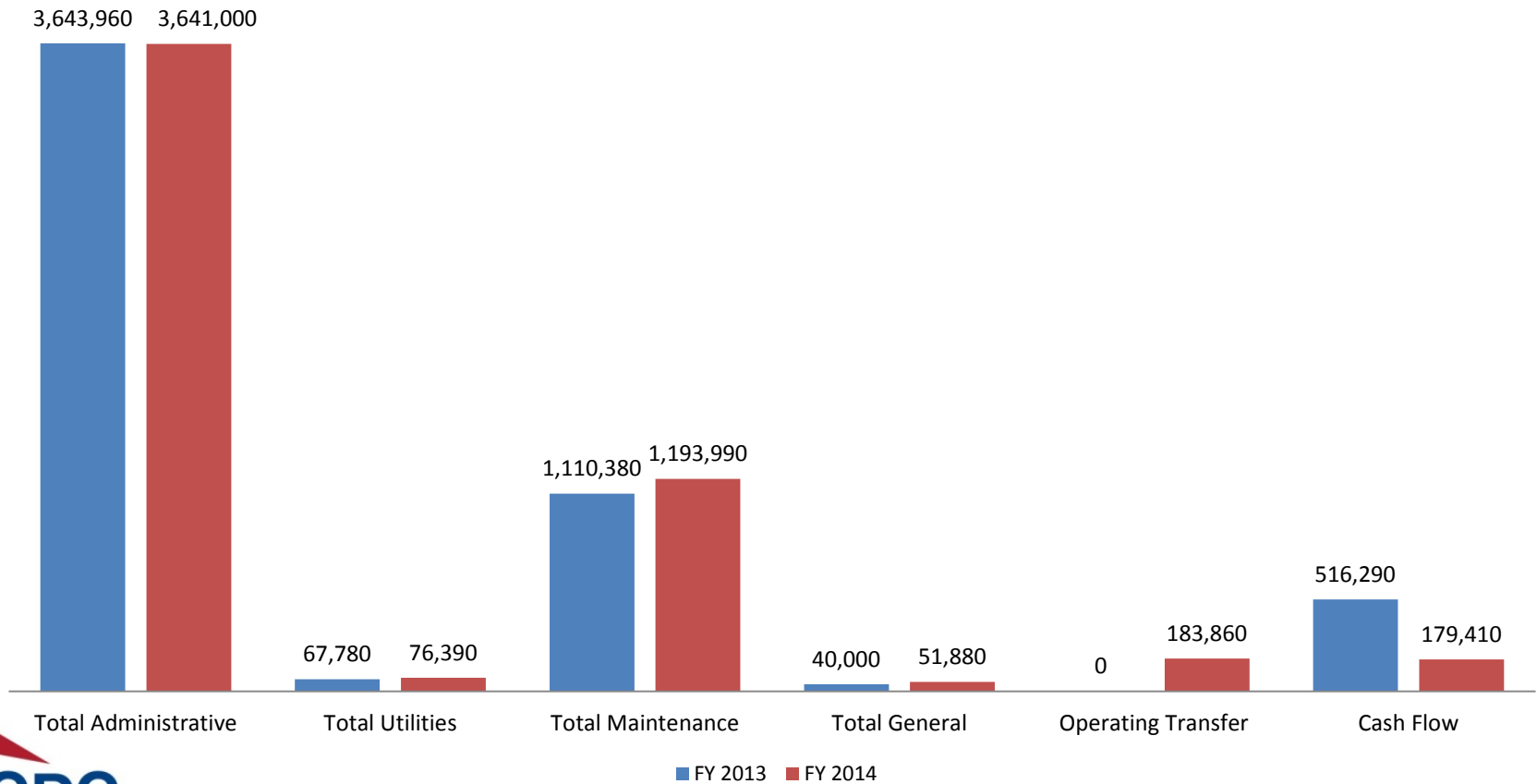
COCC Revenues

\$5,326,530 Budget



COCC Expenses and Cash Flow

\$5,326,530 Budget



Section 8



Section 8

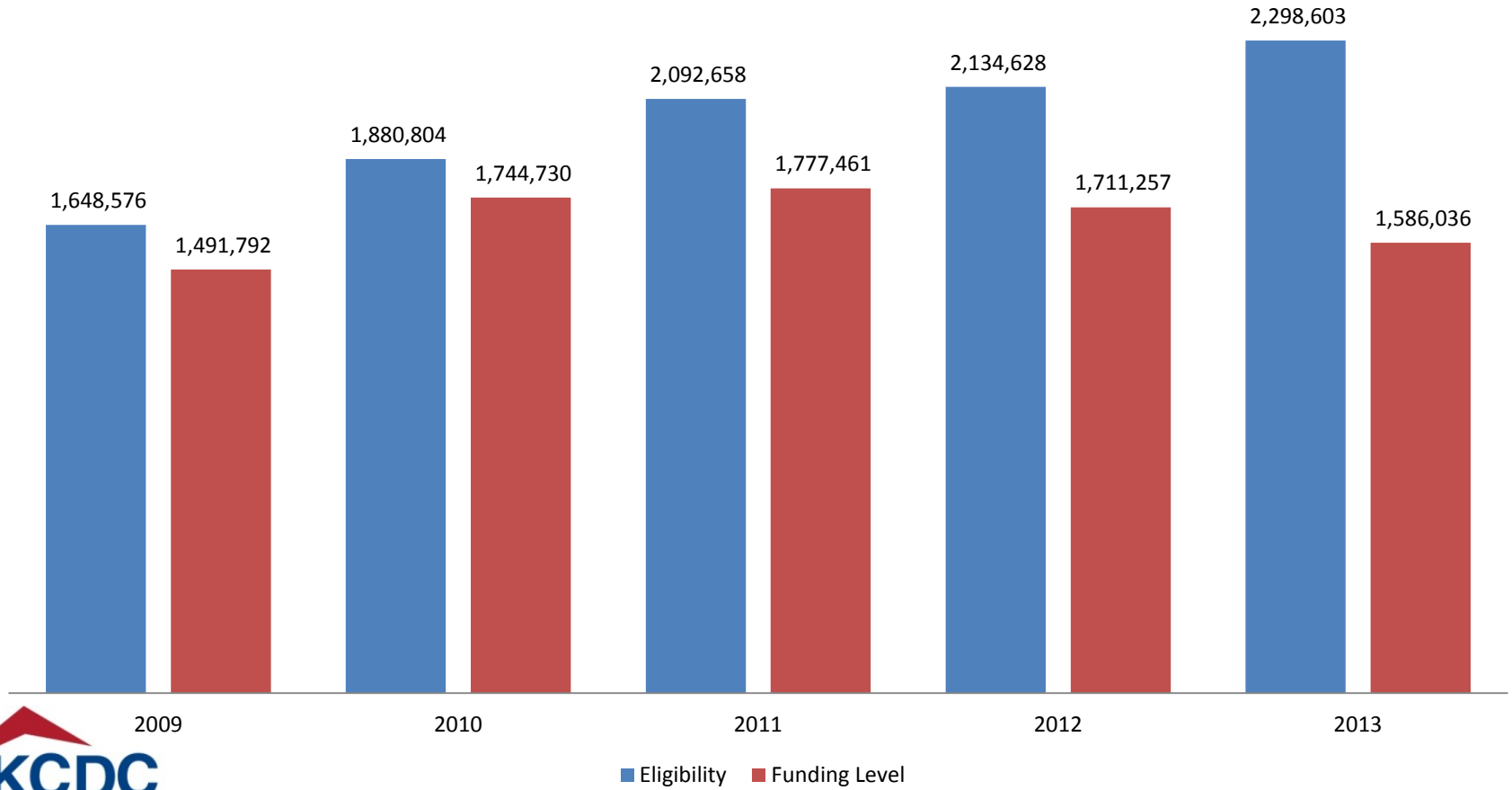
Tenant and Project-Based Rental Assistance

- Programs Include:
 - Housing Choice Voucher (3,666 Authorized Units)
 - Project Based Vouchers (127 units)
 - Mainstream Vouchers (100 Units)
 - Moderate Rehab Programs (82 units)
- Housing Assistance Payment (HAP) to private landlords (pass-thru) is not included as part of this operating budget

Section 8

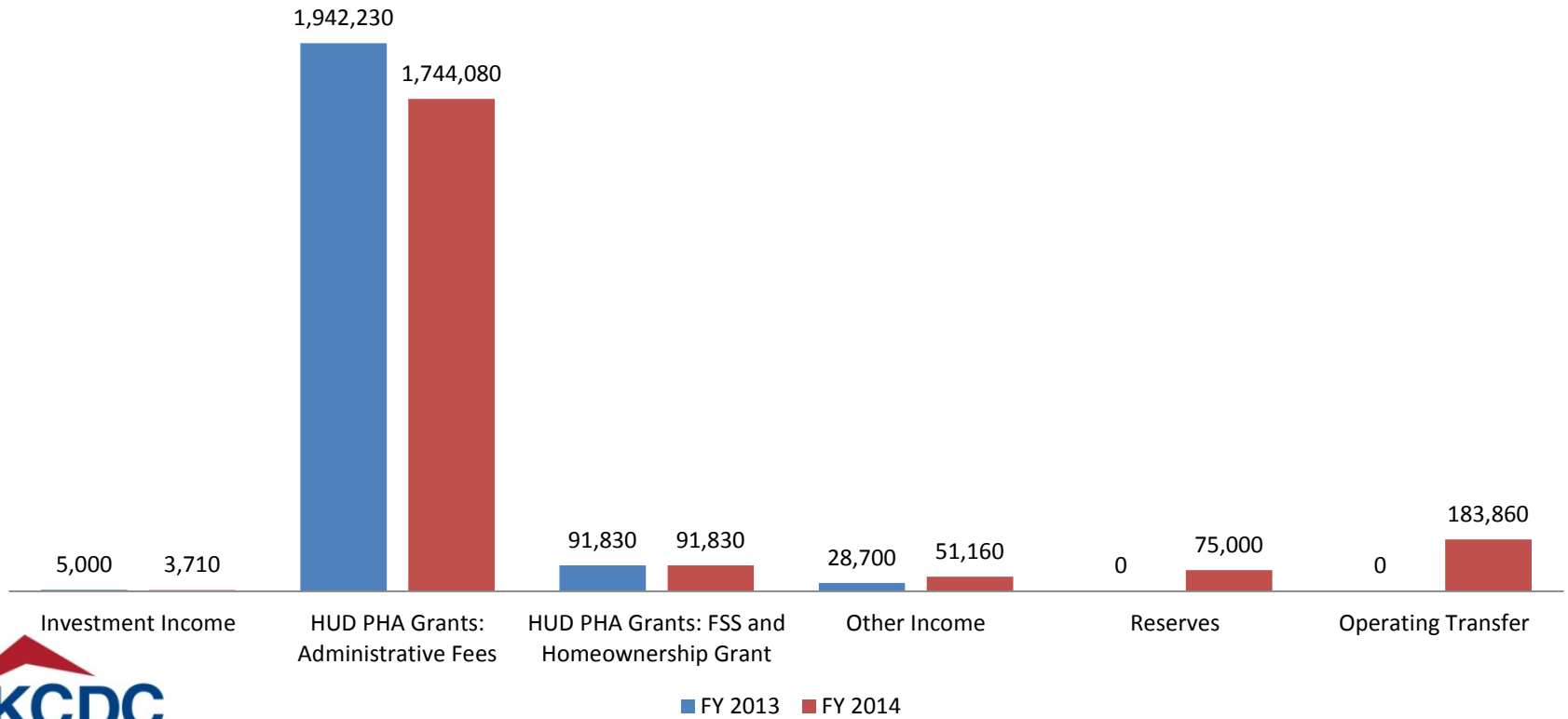
- Revenue includes:
 - Earned Administrative Fees (3,717 units included in estimated Administrative Fee Funding)
 - Fraud Recovery
 - Grants (Family Self-Sufficiency)
 - Investment Income
 - Other
- Expenses include:
 - Administrative
 - Resident services
 - Maintenance
 - Insurance

Administrative Fee Overview



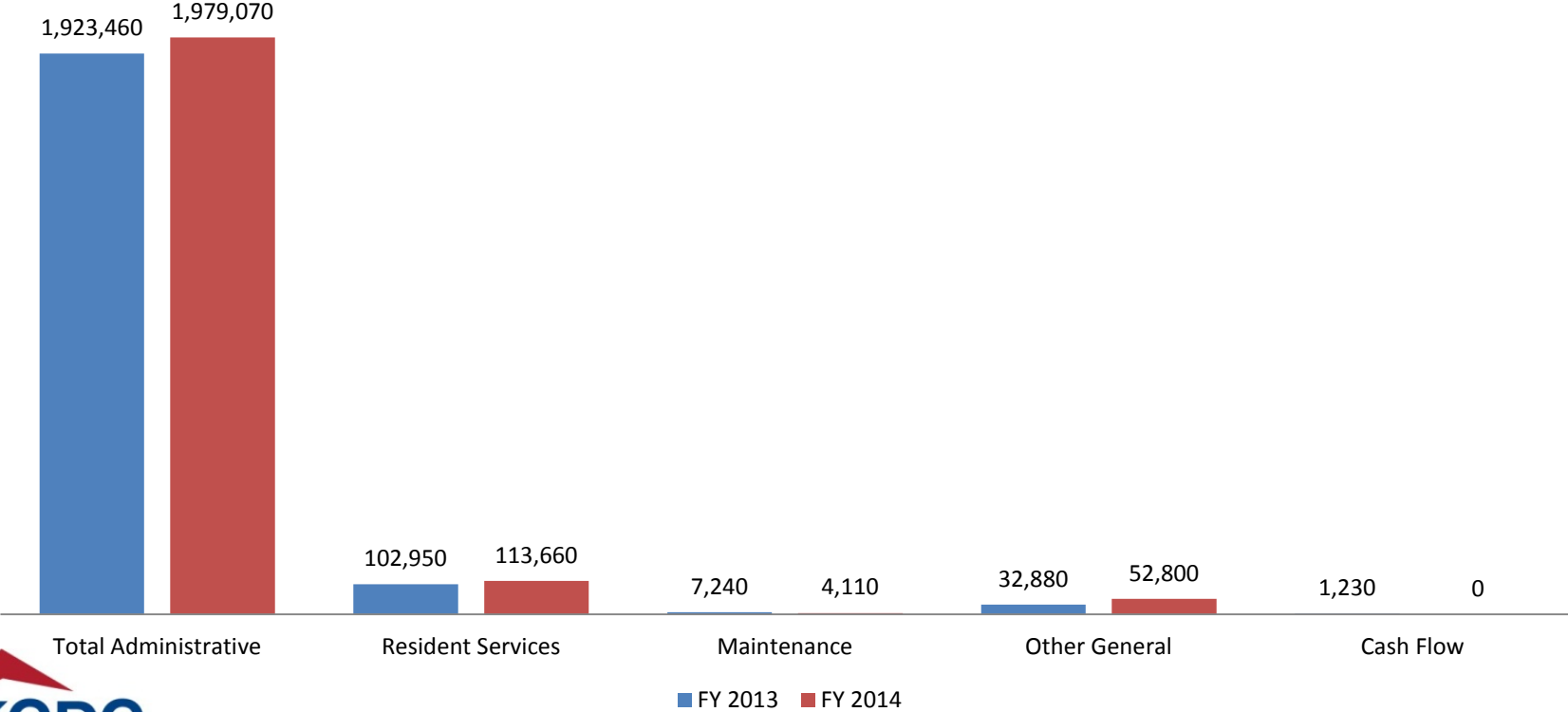
Section 8 Revenues and Reserves

\$2,149,640 Budget



Section 8 Expenses

\$2,149,640 Budget



The Manor

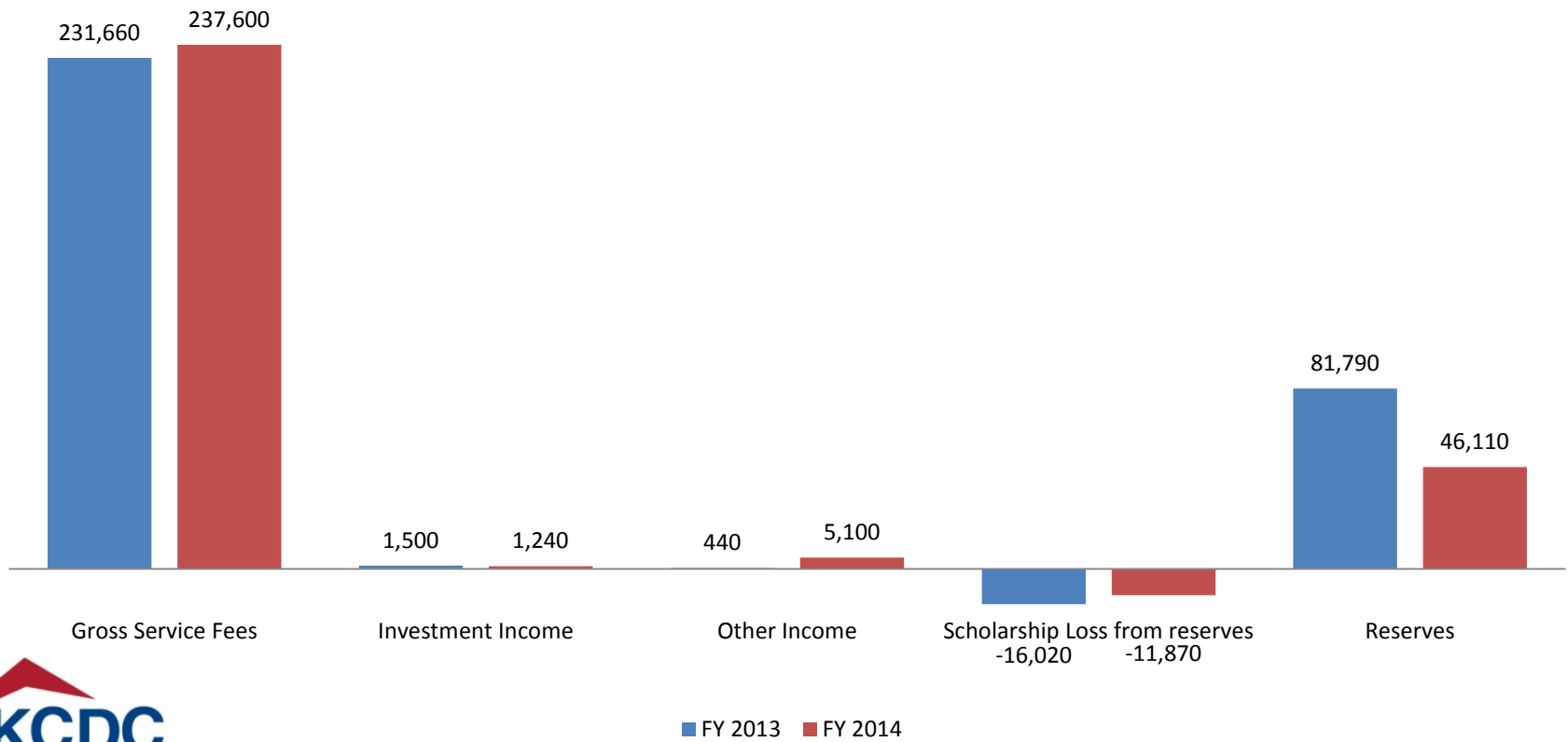


The Manor

- 26 year old supportive living facility located in Northgate Terrace property
- 41 available units to eligible residents
- Revenue includes:
 - \$495 Service Fee (Resident paid, some with scholarships)
 - Service Fee covers wellness checks, meals, light housekeeping, laundry and personal response system
 - Investment income
 - Donations
- Expenses include:
 - Administrative
 - Resident services
 - Maintenance
 - Insurance

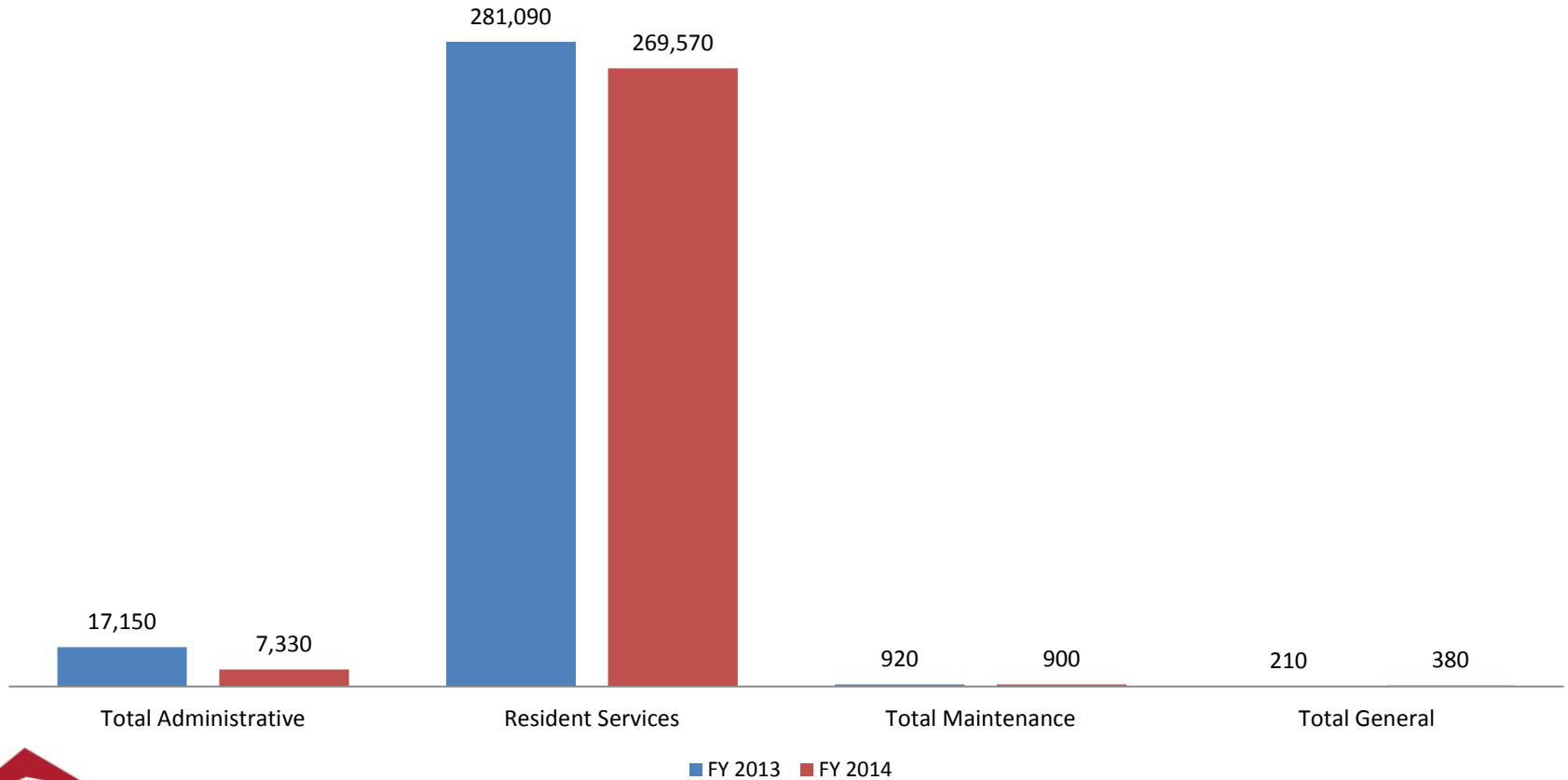
The Manor Revenues and Reserves

\$278,180 Budget



The Manor Expenses

\$278,180 Budget



Redevelopment

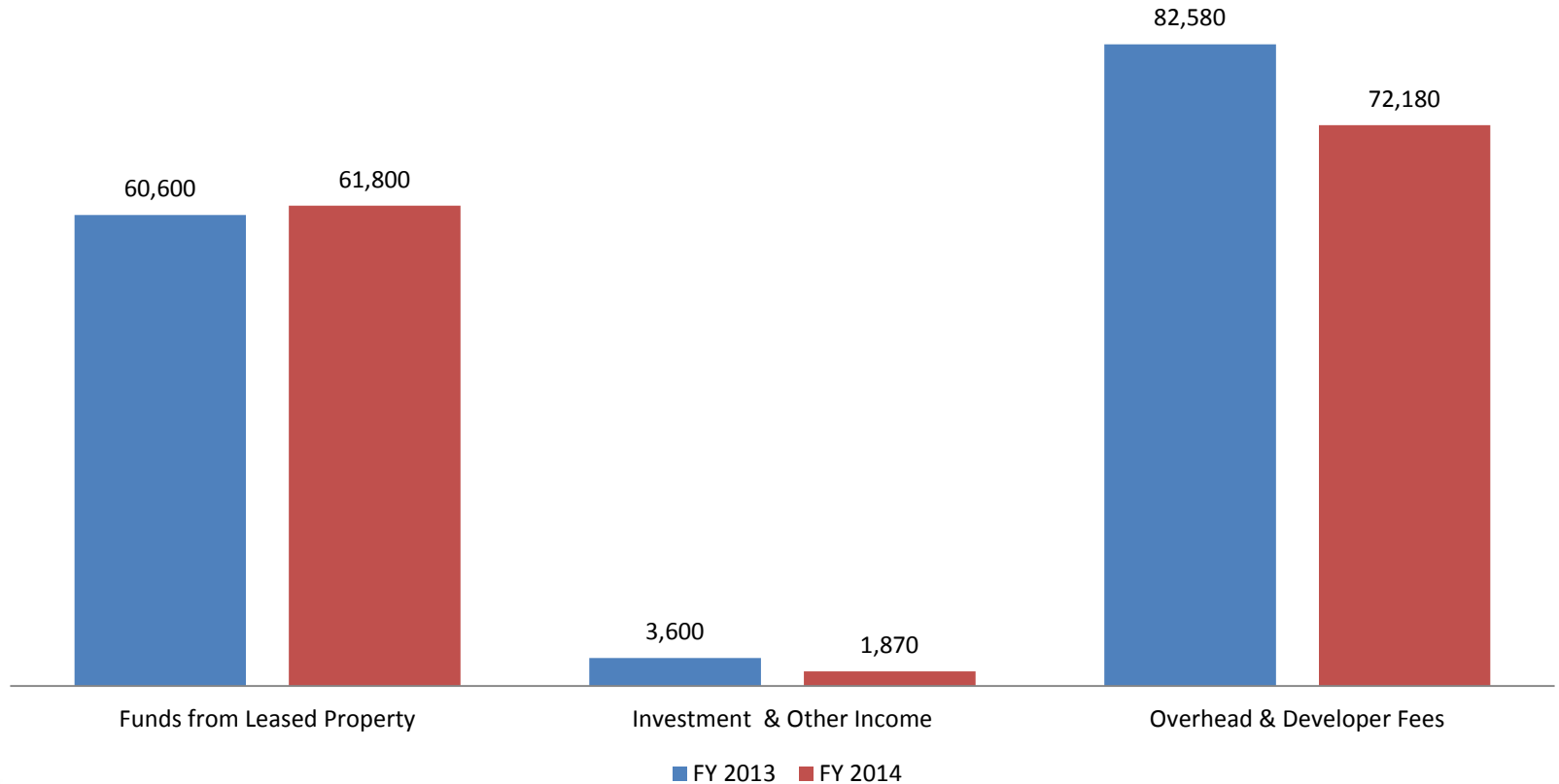


Redevelopment

- Redevelopment agent for local government and public entities implementing project activities within designated redevelopment areas
- All direct billable projects are handled as a pass-thru and are not part of this operating budget
- Revenue includes:
 - Tax Increment Financing (TIF) fees from Knox County
 - Billable Overhead
 - Leased Property Revenue
 - Investment Income
- Expenses include:
 - Administrative overhead
 - Maintenance
 - Utilities
 - Insurance

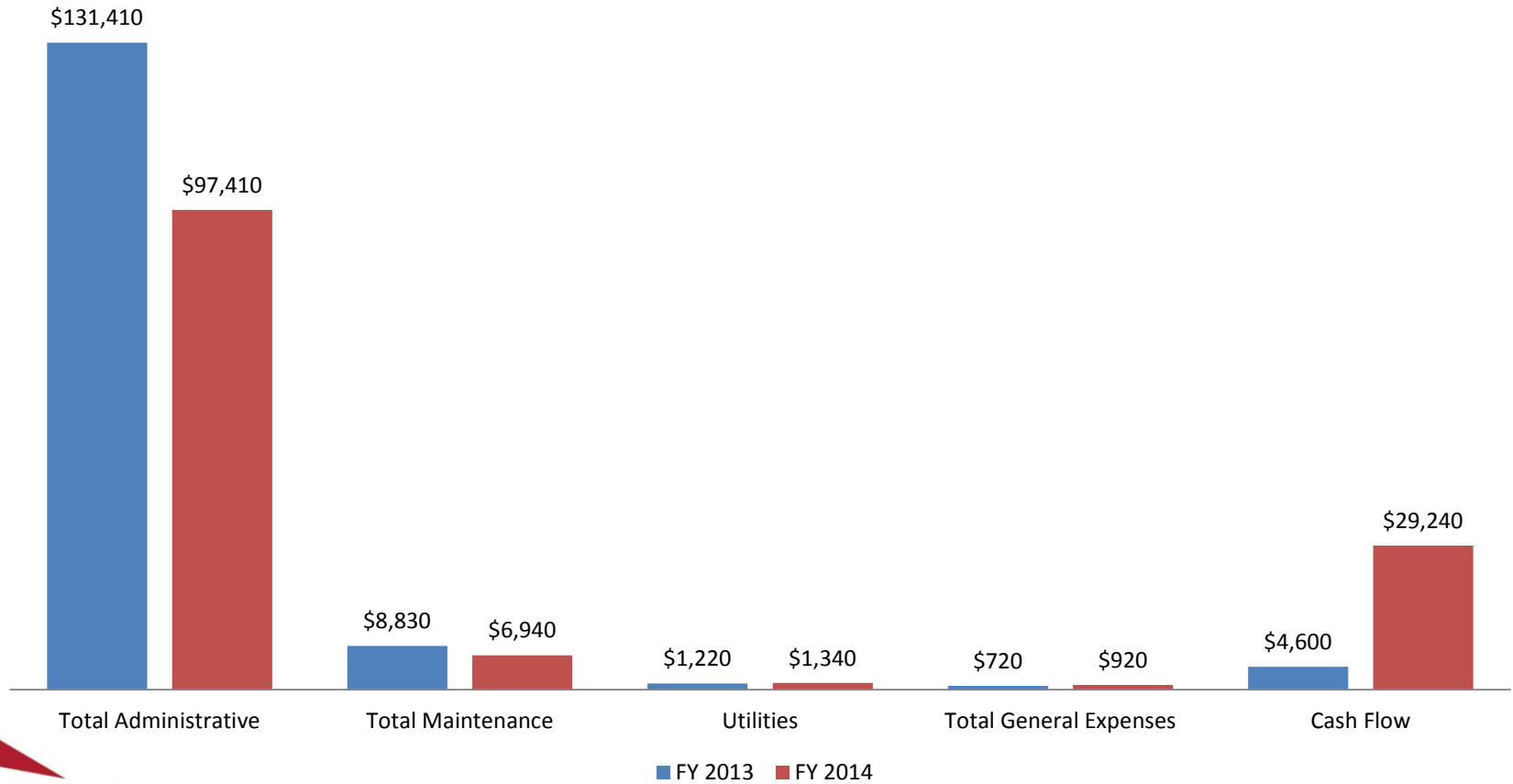
Redevelopment Revenues

\$135,850 Budget



Redevelopment Expenses and Cash Flow

\$135,850 Budget



Knoxville's Housing Development Corporation (KHDC)

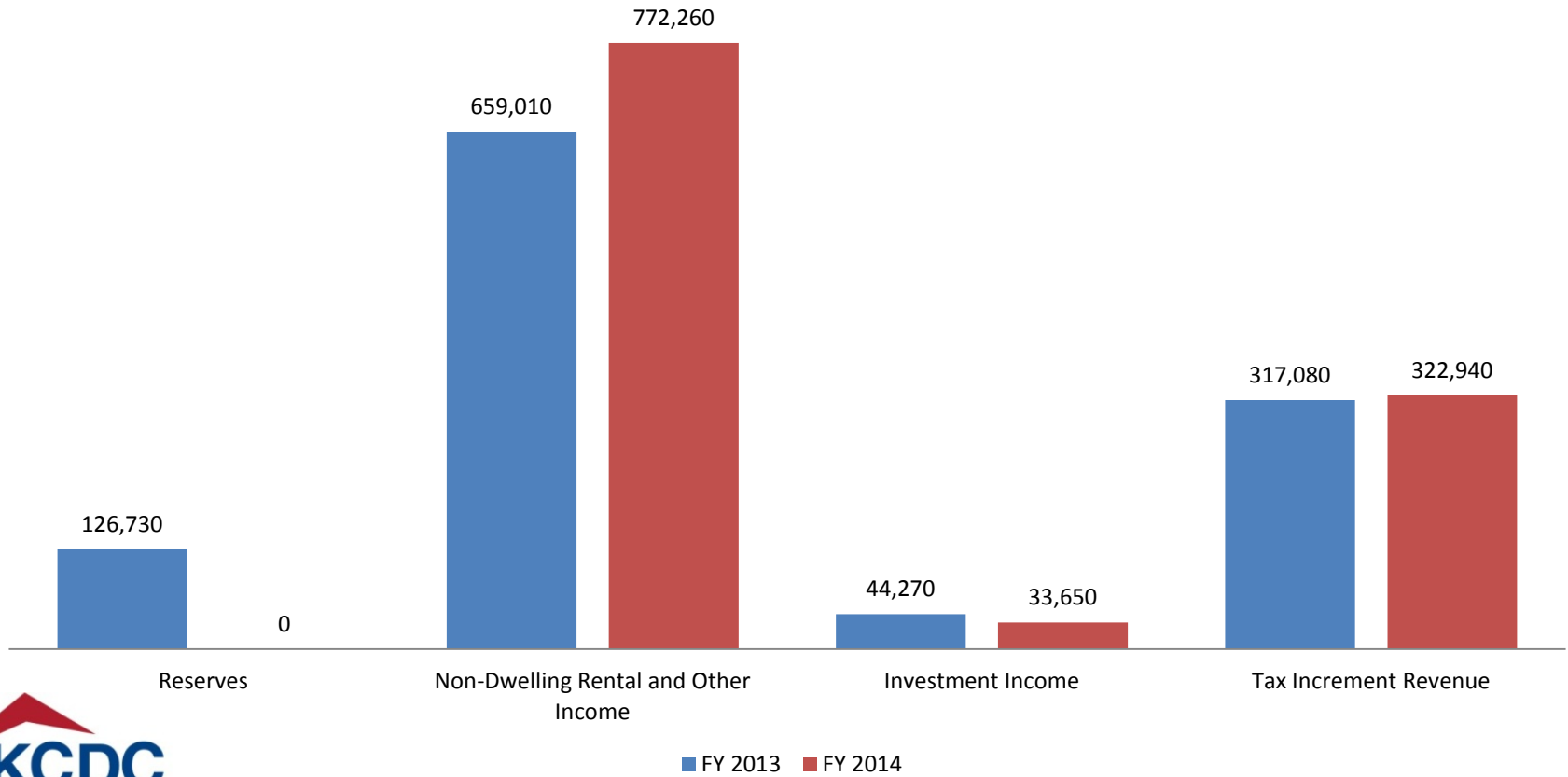


Knoxville's Housing Development Corporation (KHDC)

- Subsidiary corporation primarily created for development activities
- Primary non-federal funding source
- Revenue includes:
 - Ownership and lease of several non-dwelling properties:
 - State Office Building I and II
 - Dollar General Store
 - Head Start Building
 - Tax Increment Financing Revenue (TIF from prior HOPE VI project)
 - Investment Income
 - Other
- Expenses include:
 - Administrative
 - Maintenance
 - Utilities
 - Interest Expense
 - Insurance

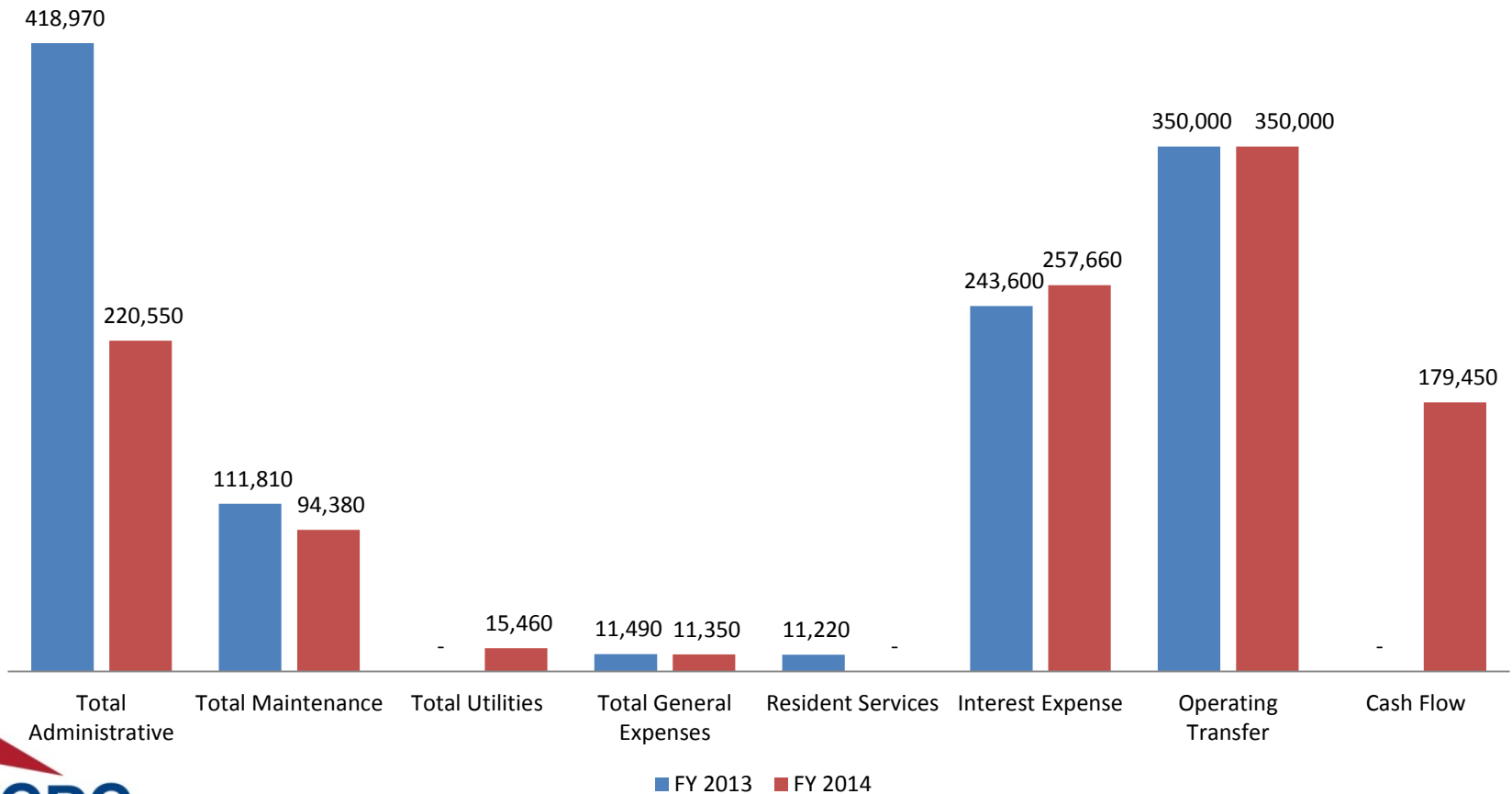
KHDC Revenues

\$1,128,850 Budget



KHDC Expenses and Cash Flow

\$1,128,850 Budget



QUESTIONS

