FY 2013
A CLEAR ROAD AHEAD
Continuous Improvement (CI) Team
Alvin Nance, ED/CEO

- Elaine Antrican
  - Controller
- Denise Campbell
  - Human Resource Director
- Art Cate
  - Chief Operating Officer
- Robert Coggins
  - Portfolio Director
- Kara Davis
  - Customer Relations Administrator
- Joyce Floyd
  - Strategic Planning & Special Projects Director
- Terry McKee
  - Purchasing & IT Director
- Jordana Nelson
  - General Counsel
- Tracee Pross
  - VP Finance & Administration
- Debbie Taylor
  - Section 8 Director
KCDC Strategic Objectives

• Become the Premier Provider of Affordable Housing

• Improve Downtown and Surrounding Neighborhoods through Development Activities

• Advance Workforce Development and Performance

• Achieve Long-term Financial Control

• Improve Processes to Increase Efficiency
FY2012 Strategic Plan Highlights

• Organizational Restructure
• Grand Opening of The Residences at Eastport
• Montgomery Village redesign on schedule
• Western Heights demolition completed
• Section 8 Process and Efficiency Assessment completed
• Occupancy rates above 98%
• Third year gross Energy Performance Contract savings of $1,105,696
• Utilized 100% of Section 8 HAP Subsidy
• Took over the process of all Tax Increment Financing calculations for Knox County
• Operated all programs within approved budget
FY2013 Annual Strategies

- Manage Regulatory/Legislative Changes
- Continue Five Points Comprehensive Redevelopment Plan
- KCDC Portfolio Management
- Evaluate Business Practices/Processes
- Workforce Development
Manage Regulatory/Legislative Changes

- Budget Management
- Public Housing Assessment System (PHAS) High Performer
- Rental Assistance Demonstration (RAD) Analysis
Five Points Comprehensive Redevelopment Plan

- Taylor Homes/Lee Williams
- In-fill Housing
- Additional Family Style Replacement Housing
- Land Acquisition
KCDC Portfolio Management

- Physical Needs / Capital Planning
- Tax Credit Business Plan
- State Office Building II
- Ongoing Renovations
Evaluate Business Practices/Processes

- Seek Entrepreneurial Activities
- Continue Department/Function Assessments
- Voice Over Internet Phone System
- Document Retention/Management Plan
- Occupancy Analysis
- Website and Intranet Enhancements
Workforce Development

- Individual Development Plans and Training
- Continuation of The Healthy Track Wellness Program
KCDC Objectives

- Premier Provider of Affordable Housing
- Improve Downtown and Surrounding Neighborhoods
- Advance Workforce Development
- Improve Processes to Increase Efficiency

Annual Strategies

1. Manage Regulatory/Legislative Changes
2. Continue Five Points Comprehensive Redevelopment Plan
3. KCDC Portfolio Management
4. Evaluate Business Practices/Processes
5. Workforce Development
Operating Budgets
KCDC Operations

- Operating Programs: $32,817,490
  - Budgeted Revenue Including Reserves

<table>
<thead>
<tr>
<th>HUD</th>
<th>Non-HUD and “Other”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Housing (73%) $23,924,860</td>
<td>Central Office Cost Center (16%) $ 5,378,410</td>
</tr>
<tr>
<td>Section 8 Related Programs (6%) $2,067,760</td>
<td>The Manor (1%) $299,370</td>
</tr>
<tr>
<td></td>
<td>Redevelopment (1%) $146,780</td>
</tr>
<tr>
<td></td>
<td>KHDC (3%) $1,147,090</td>
</tr>
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</table>
Public Housing Operating Program
## Public Housing Revenues and Reserves

### $23,924,860 Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
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<tbody>
<tr>
<td>Subsidy</td>
<td>$11,882,190</td>
<td>$13,607,990</td>
</tr>
<tr>
<td>Tenant Dwelling Revenue</td>
<td>$4,643,380</td>
<td>$4,649,010</td>
</tr>
<tr>
<td>Non-Dwelling Rents</td>
<td>$22,470</td>
<td>$22,480</td>
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<tr>
<td>Other Tenant Related Revenue</td>
<td>$255,860</td>
<td>$321,870</td>
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<tr>
<td>Net Investment Income</td>
<td>$62,510</td>
<td>$214,210</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$248,060</td>
<td>$358,310</td>
</tr>
<tr>
<td>Draw from Reserves</td>
<td>$1,684,190</td>
<td>$4,750,990</td>
</tr>
</tbody>
</table>

*FY 2012 vs FY 2013*
Public Housing Expenses
$23,924,860 Budget

- Total Administrative: FY 2012 - $5,316,410, FY 2013 - $6,307,980
- Total Resident Services: FY 2012 - $636,660, FY 2013 - $494,900
- Total Utilities: FY 2012 - $2,567,410, FY 2013 - $2,879,250
- Total Maintenance: FY 2012 - $5,975,000, FY 2013 - $7,008,670
- Total Protective Services: FY 2012 - $500,000, FY 2013 - $500,000
- Total General Expenses: FY 2012 - $1,033,890, FY 2013 - $928,120
- Asset Management Fee: FY 2012 - $430,110, FY 2013 - $449,640
- Non-Routine Expense: FY 2012 - $1,598,730, FY 2013 - $409,080
- EPC Interest Expense: FY 2012 - $5,317,710, FY 2013 - $369,960

FY 2012: $5,316,410, $636,660, $2,567,410, $5,975,000, $500,000, $1,033,890, $430,110, $1,598,730, $409,080
FY 2013: $6,307,980, $494,900, $2,879,250, $7,008,670, $449,640, $928,120, $449,640, $369,960

Knoxville's Community Development Corporation
Operating Subsidy Assumptions
Public Housing

- Subsidy is estimated at $13,607,990
- Pro-ration at 95.29% for 2012 Formula (including 5.2M allocation adjustment from reserves in excess of 4 months formula operating expense)
- Pro-ration estimate at 90% for 2013 Formula (current industry estimate)
# Public Housing Reserves

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves as of June 30, 2011</td>
<td>$26,734,843</td>
</tr>
<tr>
<td>FY 2012 estimate increase to reserves</td>
<td>$1,167,240</td>
</tr>
<tr>
<td>Reserves estimated at June 30, 2012</td>
<td>$27,902,083</td>
</tr>
<tr>
<td>FY 2013 Estimated draw from reserves</td>
<td>($4,750,990)</td>
</tr>
<tr>
<td>Reserves (estimated) as of June 30, 2013</td>
<td>$23,151,093</td>
</tr>
<tr>
<td>Property</td>
<td>Net Income (loss) before Non-Routine Expenditures</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Western Heights</td>
<td>$340,580</td>
</tr>
<tr>
<td>Lonsdale</td>
<td>($101,020)</td>
</tr>
<tr>
<td>Austin Homes</td>
<td>$10,620</td>
</tr>
<tr>
<td>Love Towers</td>
<td>($5,980)</td>
</tr>
<tr>
<td>Taylor Homes</td>
<td>$198,510</td>
</tr>
<tr>
<td>Lee Williams</td>
<td>$145,710</td>
</tr>
<tr>
<td>Cagle Terrace</td>
<td>($87,320)</td>
</tr>
<tr>
<td>Northgate Terrace</td>
<td>($6,270)</td>
</tr>
<tr>
<td>Northridge Crossing</td>
<td>$281,550</td>
</tr>
</tbody>
</table>
## Public Housing Operating Program

### Net Income (Loss) by Property

<table>
<thead>
<tr>
<th>Property</th>
<th>Net Income (loss) before Non-Routine Expenditures</th>
<th>Non-Routine Expenditures</th>
<th>Net Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montgomery Village</td>
<td>$347,640</td>
<td>($171,490)</td>
<td>$176,150</td>
</tr>
<tr>
<td>Isabella Towers</td>
<td>($117,430)</td>
<td>($139,170)</td>
<td>($256,600)</td>
</tr>
<tr>
<td>Mechanicsville</td>
<td>($97,460)</td>
<td>($60,000)</td>
<td>($157,460)</td>
</tr>
<tr>
<td>Passport Homes</td>
<td>($9,840)</td>
<td>0</td>
<td>($9,840)</td>
</tr>
<tr>
<td>Passport Residences</td>
<td>($74,070)</td>
<td>0</td>
<td>($74,070)</td>
</tr>
<tr>
<td>The Vista</td>
<td>($45,720)</td>
<td>($315,500)</td>
<td>($361,220)</td>
</tr>
<tr>
<td>The Verandas</td>
<td>($28,610)</td>
<td>($23,800)</td>
<td>($52,410)</td>
</tr>
<tr>
<td>Five Point Duplexes</td>
<td>($10,110)</td>
<td>0</td>
<td>($10,110)</td>
</tr>
<tr>
<td>Valley Oaks</td>
<td>$180,370</td>
<td>($11,370)</td>
<td>$169,000</td>
</tr>
</tbody>
</table>
## Public Housing Operating Program

### Net Income (Loss) by Property

<table>
<thead>
<tr>
<th>Property</th>
<th>Net Income (loss) before Non-Routine Expenditures</th>
<th>Non-Routine Expenditures</th>
<th>Net Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Walker</td>
<td>($129,890)</td>
<td>($223,000)</td>
<td>($352,890)</td>
</tr>
<tr>
<td>Bakertown</td>
<td>($64,030)</td>
<td>($63,000)</td>
<td>($127,030)</td>
</tr>
<tr>
<td>Eastport Phase I</td>
<td>($24,440)</td>
<td>0</td>
<td>($24,440)</td>
</tr>
<tr>
<td>Eastport Phase II</td>
<td>($103,420)</td>
<td>0</td>
<td>($103,420)</td>
</tr>
<tr>
<td>Mechanicsville II</td>
<td>($32,650)</td>
<td>($20,000)</td>
<td>($52,650)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$566,720</strong></td>
<td><strong>($5,317,710)</strong></td>
<td><strong>($4,750,990)</strong></td>
</tr>
</tbody>
</table>
Central Office
Cost Center
COCOCC Expenses and Cash Flow

$5,378,410 Budget

Total Administrative: $3,867,500
Total Utilities: $80,570, $67,780
Total Maintenance: $942,230
Total General: $83,020, $40,000
Cash Flow: $4,110, $516,290

FY 2012  FY 2013
Other Operating Programs
Section 8
Programs
Section 8 Revenues and Reserves

$2,067,760 Budget

Investment Income

- FY 2012: $2,100
- FY 2013: $5,000

HUD PHA Grants: Administrative Fees

- FY 2012: $1,842,120
- FY 2013: $1,942,230

HUD PHA Grants: FSS and Homeownership Grant

- FY 2012: $91,830
- FY 2013: $91,830

Other Income

- FY 2012: $31,500
- FY 2013: $28,700

Reserves

- FY 2012: $120,800
- FY 2013: $0

Knoxville's Community Development Corporation
## Section 8 Expenses and Cash Flow

### $2,067,760 Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Administrative</td>
<td>$1,942,560</td>
<td>$1,923,460</td>
</tr>
<tr>
<td>Tenant Services</td>
<td>$88,940</td>
<td>$102,950</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$10,980</td>
<td>$7,240</td>
</tr>
<tr>
<td>Other General</td>
<td>$45,870</td>
<td>$32,880</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>$0</td>
<td>$1,230</td>
</tr>
</tbody>
</table>

*FY 2012 vs FY 2013*
The Manor
Manor Revenues and Reserves
$299,370 Budget

- Gross Service Fees: $231,660
- Investment Income: $480 (FY 2012), $1,500 (FY 2013)
- Other Income: $780 (FY 2012), $440 (FY 2013)
- Scholarship Loss from reserves: -$11,690 (FY 2012), -$16,020 (FY 2013)
- Reserves: $10,380 (FY 2012), $81,790 (FY 2013)
Manor Expenses
$299,370 Budget
Redevelopment
Redevelopment Revenues

$146,780 Budget

Funds from Leased Property
- FY 2012: $60,600
- FY 2013: $60,600

Investment & Other Income
- FY 2012: $2,000
- FY 2013: $3,600

Overhead & Developer Fees
- FY 2012: $98,180
- FY 2013: $82,580
## Redevelopment Expenses and Cash Flow

### $146,780 Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Administrative</strong></td>
<td><strong>$144,270</strong></td>
<td><strong>$131,410</strong></td>
</tr>
<tr>
<td><strong>Total Maintenance</strong></td>
<td><strong>$6,300</strong></td>
<td><strong>$8,830</strong></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td><strong>$1,400</strong></td>
<td><strong>$1,220</strong></td>
</tr>
<tr>
<td><strong>Total General Expenses</strong></td>
<td><strong>$1,500</strong></td>
<td><strong>$720</strong></td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td><strong>$7,310</strong></td>
<td><strong>$4,600</strong></td>
</tr>
</tbody>
</table>
KHDC Revenues and Reserves
$1,147,090 Budget

- Reserves: $730,640
- Vacancy Loss: -$3,560
- Tenant, Non-Dwelling Rental and Other Income: $739,420
- Investment Income: $659,010
- Tax Increment Revenue: $288,250

FY 2012 vs FY 2013
KHDC Expenses

$1,147,090 Budget
Questions