

Knoxville's Community Development Corporation



FY 2017 Strategic Plan and Proposed Budget



Housing Portfolio

Public Housing Total Units = 3,525

Potential RAD Units = 2,197

Austin Homes	129	Nature's Cove	95
Autumn Landing	102	Northgate Terrace	277
Cagle Terrace	274	Northridge Crossing	270
Five Points Infill Senior	20	Passport Homes and Residences*	61
Five Points Infill Family	17	The Residences At Eastport I	25
Isabella Towers	236	The Residences At Eastport II*	60
Lonsdale Homes	260	Taylor Homes/Lee Williams	317
Love Towers	249	Valley Oaks	48
Mechanicsville	26	The Verandas	42
Mechanicsville II	22	The Vista	175
Montgomery Village	380	Western Heights	440

*Tax Credit Properties

Housing Portfolio

Section 8

- \$22.6M Current Annual Housing Assistance Payments (HAP) funding
- Supports approximately 3,500 units
- 3,848 units authorized from HUD
- Administrative Fee Funding based upon number of units leased

Additional Tax Credit Units

- Passport Homes 22 Other Affordable Units (Section 8)

Agency Strategic Objectives

- Become the Premier Provider of Affordable Housing
 - Improve Public Housing stock
 - Improve resident retention
 - Maximize Section 8 Contract Authority
- Improve Downtown and Surrounding Neighborhoods through Development Activities
 - Assist with COK's Redevelopment Plans
 - Assist/Promote development activities
- Achieve Long-term Financial Control
 - Identify fixed vs. variable costs
 - Reduce identified substantial costs
 - Decrease dependency on HUD Subsidy
- Improve Processes/Practices to Increase Efficiency
 - Achieve timely, accurate reporting
- Advance Workforce Development and Performance
 - Improve employees Knowledge, Skills and Abilities (KSA's)
 - Recruit, select and retain the right people with right skills in right job

Accomplishments

FY2016 Strategic Plan



FY2016 Accomplishments

- Active participation on national, regional and state level and involvement to influence regulations positively affecting affordable housing
 - THDA QAP input resulted in 30% Rental Assistance Demonstration (RAD) set aside
 - State Law on PILOTs
 - Staff serving on industry organizations and committees at the national, regional, state and local level
- Aggressively continue the revitalization of the Five Points Comprehensive Redevelopment Plan
 - Phase 1: Begin construction of 90 units of elderly/disabled tax credit units
 - RAD/Equity closing completed April 29, construction began May 2, 2016
 - Additional Phases and tax credit applications depending on QAP
 - Phase 2 tax credit application submitted February 2, expected award first of June
 - Demolition application for next phase
 - In progress with RAD team for early demo request on two buildings related infrastructure work



FY2016 Accomplishments

- Complete the Rental Assistance Demonstration (RAD) conversion of Autumn Landing and Nature's Cove
 - **Rehabilitation based on capital needs assessment**
 - **Full conversion prior to June 30, 2016**
 - RAD closing completed on and began operating as our first Project Based Rental Assistance (PBRA) Multi-family development on April 1, 2016
 - Rehab of floors and window to be completed approximately October, 2016
- Analyze KCDC's total portfolio including financial and human resources to determine "the best interest of the property" on an individual basis
 - **RAD analysis of all properties and additional applications**
 - Portfolio Award for 1,581 units and of those 821 have received Commitments for Housing Assistance Payments (CHAPs) Refer to next year strategies
 - **Capital Funds Re-Financing**
 - Completed – first year savings of over \$150,000
 - **Passport Homes and Residences exit strategy and unwinding**
 - Complete – Limited Partner exited; replaced by KCDC



FY2016 Accomplishments

- Achievement of High Performer Status (PHAS and SEMAP)
 - Official scores not released, but estimates show High Performer on each
- Website Update
 - KCDC new website to be rolled out at the end of June
- Streamline processes for financial and human resources
 - Applications
 - On line application process completed
 - Tenant Payment Options
 - Added options of bank cards and electronic payments (over 1,000 transactions and \$174,000 in first year use)



The Road Ahead

FY2017 Strategic Plan



FY2017 Goals and Strategies

- Active participation on national, regional and state level and involvement to influence regulations positively affecting affordable housing
- Aggressively continue the revitalization of Five Points
 - **Phase 1: Construction and lease up**
 - **Phase 2: RAD/Equity closing prior to December 31, 2016**
 - **Phase 3: RAD application September, 2016**
 - **Phase 3: Tax Credit Application February, 2017**
 - **Infrastructure - City of Knoxville independent of Phases**



KCDC RAD Conversion Summary

	# Units	Financing	Other info
AUTUMN LANDING/NATURE'S COVE	197	In-house	Converted to operations April 1, 2016
Five Points Redevelopment (Portfolio Award of 419 Units)			
New Construction on Footprint:			
PHASE 1 (Residences at Five Points)	90	9% Tax Credits/KCDC	Estimated completion May 2017
PHASE 2	84	3% Tax Credits/KCDC/Bank	TC Award June; RAC/Equity close end of 2016
PHASE 3	86	9% Tax Credits/KCDC/??	RAD Application September 2016; TC Application February 2017
PHASE 4	57	9% Tax Credits/KCDC/??	RAD Application September 2017; TC Application February 2018
Other units to convert:			
FAMILY IN-FILL	17	In-house	Application date TBD
THE RESIDENCES AT EASTPORT	60	In-house	Application date TBD
EASTPORT SCHOOL	<u>25</u> 419	In-house	Application date TBD
Multiple Site Portfolio Award of 1,581 Units			
Tranche 1 CHAPS Received:			
MECHANICSVILLE I	26	In-house	Estimated RAD closing November 2016
MECHANICSVILLE II	22	In-house	Estimated RAD closing November 2016
FIVE POINTS IN-FILL SENIOR (left out of Five Points portfolio)	20	In-house	Estimated RAD closing November 2016
VALLEY OAKS	48	In-house	Estimated RAD closing November 2016
LONSDALE HOMES	260	bonds/4% Tax Credits/ FHA	Estimated RAD closing end of 2016
NORTH RIDGE CROSSING	270	bonds/4% Tax Credits/ FHA	Estimated RAD closing end of 2016
THE VISTA	<u>175</u> 821	bonds/4% Tax Credits/ FHA	Estimated RAD closing end of 2016
Tranche 2 Portfolio Award:			
THE VERANDAS	42	To Be Determined	RAD Application September 2016; Full RAD Conversion 2017
MONTGOMERY VILLAGE	380	bonds/4% Tax Credits/ FHA	RAD Application September 2016; Bond/ TC Application 2017
NORTHGATE TERRACE	277	bonds/4% Tax Credits/ FHA	RAD Application September 2016; Bond/ TC Application 2017
PASSPORT HOMES	11	To Be Determined	RAD Application September 2016; Full RAD Conversion 2017
PASSPORT RESIDENCES	<u>50</u> 760	To Be Determined	RAD Application September 2016; Full RAD Conversion 2017

FY2017 Goals and Strategies

- RAD Conversions – Outside of Five Points Portfolio Award
 - **Tranche 1: Internal Financing**
 - Five Points Senior In-fill (20 units)
 - Mechanicsville I and II (48 units)
 - Valley Oaks (48 units)
 - **Tranche 1: External Financing**
 - The Vista at Summit Hill (175 units)
 - Lonsdale (260 units)
 - North Ridge Crossing (270 units)
 - **Tranche 2: Submit Applications September 2016**
 - Montgomery Village (380 units)
 - The Verandas (42 units)
 - Northgate Terrace (277 units)
 - Passport Homes (11 units)
 - Passport Residences (50 units)



FY2017 Goals and Strategies

- Performer Status
 - PHAS (Public Housing units)
 - SEMAP (Section 8 Housing Choice Voucher)
 - MOR (Multi-family Management and Occupancy Reviews)
 - Tax Credit Compliance Reviews
 - Economic Occupancy % (internal measure of gross tenant rent vs. actual collected)
- Process and Efficiency
 - PBRA Management Needs
 - Tax Credit Management Needs
 - Paperless Advancement



Questions



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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
- Other Board Resolutions: Central Office Cost Center (COCC), Section 8, Redevelopment, The Manor, Multi-Family Housing and KHDC (separate agenda)

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Public Housing Operating Program

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Public Housing Operating Subsidy Assumptions

- Subsidy is estimated at \$12,790,480
- Pro-ration was 89.73% for 2016 Formula
- Pro-ration estimate at 85% for 2017 Formula
 - Revenues include:
 - Subsidy (Property and utility expense level (+) add-ons (-) dwelling rent)
 - Tenant Rent
 - Other Tenant Related Charges
 - Other Income
 - Investment Income
 - Expenses include:
 - Administrative
 - Resident Services
 - Maintenance and Security
 - Utilities
 - Insurance, Other General Expenses, and Capital Replacements

Public Housing Budget

Revenue	\$17,410,470
Expenses	\$17,346,570
Capital/Non-Routine	\$68,000
Net Income/(Loss)	(\$4,100)



**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
CONVENTIONAL PUBLIC HOUSING**

CHANGES FROM FY2016 TO FY2017

OVERALL TOTAL INCOME: A decrease of 10% is proposed for 2017 over 2016 figures primarily due to a decrease in federal subsidy funding and tenant rent due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year.

OVERALL TOTAL EXPENSES – A decrease of 16% is proposed for 2017 over 2016 budget.

ADMINISTRATIVE – A 10% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. The largest decrease is in the areas of employee costs and management and bookkeeping fees. Telephone expenses and computer support have also decreased this year.

RESIDENT SERVICES – A 3% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. The largest decrease is in the area of resident funds and resident contracts.

UTILITIES – A 9% increase is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. Utility rates, however, are projected to increase as follows: Sewer 12%, Water 5% and Electricity 1%.

ORDINARY MAINTENANCE/OPERATIONS – A 23% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. However, several services, such as mowing, safety and security, pest control, trash removal, fleet, generator services and vacant unit painting are projected to have slight increases of up to 5% within the year upon expiration of current contracts.

PROTECTIVE SERVICES – A 13% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. Contract pricing is the same as last year at 600,000.

OTHER GENERALEXPENSES: A 27% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year. Small percentage increases up to 5% are projected at mid-year upon policy renewals for insurance.

ASSET MANAGEMENT FEE: A 17% decrease is proposed for 2017 over 2016 figures primarily due to two properties which have moved to the Multi-Family program this year and eight properties which are projected to move to Multi-Family Housing at mid—year.

**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
CONVENTIONAL PUBLIC HOUSING**

CHANGES FROM FY2016 TO FY2017 (Continued)

CAPITAL – A 27% increase is proposed for 2017 over 2016 figures due to a few equipment replacements. Most capital related items are funded out of the Capital Fund budget.

OTHER INTEREST EXPENSE – Interest expense for debt related to the energy performance contract (EPC): \$304,110. The EPC will require pre-payment in FY 2017 related to the debt attributable to the properties moving to the Multi-Family Housing program.

OPERATING TRANSFER: An operating transfer in the amount of 408,250 is needed for Public Housing subsidy to be received on behalf of the Multi-family properties, Autumn Landing and Nature's Cove.

NET LOSS: (\$4,100)

OPERATING SUBSIDY – Subsidy is estimated at \$12,790,480. (9% decrease from Fiscal Year 2016 figure of \$13,986,710). This represents the direct payment from HUD based on the operating fund formula including add-ons, and includes 89.73% of the approved formula calculation for CY 2016 and 85% of the estimated formula calculation for CY2017. Funding amounts will vary based upon final distribution.

PROVISION FOR OPERATING RESERVE – Shows KCDC drawing (\$4,100) from reserves.

Historical Reserve Information:

(Fiscal Year 2003 - KCDC Actual:	\$1,438,617 to reserves)
(Fiscal Year 2004 - KCDC Actual:	\$354,797 to reserves)
(Fiscal Year 2005 - KCDC Actual:	\$1,147,611 to reserves)
(Fiscal Year 2006 - KCDC Actual:	\$1,147,641 from reserves)
(Fiscal Year 2007 - KCDC Actual:	\$583,564 from reserves)
(Fiscal Year 2008 - KCDC Actual:	\$827,034 to reserves)
(Fiscal Year 2009 - KCDC Actual:	\$4,032,919 to reserves)
(Fiscal Year 2010 - KCDC Actual:	\$4,346,336 to reserves)
(Fiscal Year 2011 - KCDC Actual:	\$3,511,799 to reserves)
(Fiscal Year 2012 - KCDC Actual:	\$1,385,846 to reserves)
(Fiscal Year 2013 - KCDC Actual:	\$4,668,275 from reserves)
(Fiscal Year 2014 - KCDC Actual:	\$904,294 from reserves)
(Fiscal Year 2015 - KCDC Actual:	\$178,120 from reserves)
(Fiscal Year 2016 - KCDC Estimate:	\$787,034 to reserves)

**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
CONVENTIONAL PUBLIC HOUSING**

CHANGES FROM FY2016 TO FY2017 (Continued)

The Fiscal Year 2017 estimated draw from reserves will adjust our reserve level as follows:

Adjusted Reserves as of June 30, 2016 (*)	17,341,149
Fiscal Year 2016 estimated increase to reserves	787,034
Fiscal Year 2016 principal note reduction	(1,601,567)
Adjusted Reserves estimated at June 30, 2016	16,526,616
Fiscal Year 2017 Estimated draw from reserves	(4,100)
Adjusted Reserves (estimated) as of June 30, 2017	16,522,516

(*) Reserves are adjusted by 8,734,838 representing long term notes receivable due from limited partnerships.



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

CONVENTIONAL PUBLIC HOUSING (SUMMARY)

JULY 1, 2016 - JUNE 30, 2017

REVENUE

Dwelling Rentals:	
Gross Potential Rent	4,328,600
Vacancy Loss	(97,950)
Net Dwelling Rentals	4,230,650
Other Rental Income	239,740
Non-dwelling Rentals	11,860
Subsidy:	
Gross Subsidy	14,586,520
Subsidy Loss - Vacancy	(49,920)
Proration Loss (unfunded)	(1,746,120)
Net Subsidy	12,790,480
Investment Income	64,430
Other Income	73,310

TOTAL REVENUE **17,410,470**

EXPENSES

Administrative Salaries	1,464,110
Benefits	634,530
Compensated Absences	427,290
Legal	22,400
Staff Training	96,950
Travel	31,310
Audit	23,010
Telephone	107,250
Computer Support	55,900
Office Expenses	39,810
Advertising and Marketing	4,530
Management Fee	1,386,950
Bookkeeping Fee	239,030
Centralized Front-Line Service Fee (Administrative Fee)	511,860
Court Costs	78,180
Administrative Other	712,200
Total Administrative	5,835,310

Resident Services Salaries	82,930
Benefits (per actual %; varies by site)	26,330
Resident Participation	38,600
Resident Services Contracts	292,800
Total Resident Services	440,660

Gas	11,940
Electric	1,354,330
Water	510,490
Sewer	1,240,180
Total Utilities	3,116,940

Maintenance Salaries	1,247,490
Benefits	669,400
Maintenance Materials	639,620
Fee For Service: Interior Painting-Repairs	0
Fee For Service: Interior Painting-Occupied	0
Fee For Service: Interior Painting-Turnover	0
Fee for Service: Carpentry/Concrete Work	162,800
Fee for Service: Bulky Debris Pickup	186,790
Fee for Service: HVAC	326,110
Fee for Service: Plumbing	382,640
Routine Contracts: Grounds/Landscaping	

Routine Contracts: Vehicle Maintenance	30,290
Routine Contracts: Pest Control	126,020
Routine Contracts: Security Monitoring	55,810
Routine Contracts: Uniforms	11,320
Other Routine & Miscellaneous Contracts	1,438,410
Elevator Service	44,590
Electrical Service	30,170
Trash Removal	202,190
Total Maintenance	5,553,650
Security Labor	0
Benefits	0
Materials	0
Contracts-City Police	522,000
Total Protective Services	522,000
Insurance:	
Property	178,930
General Liability	76,430
Fidelity	2,950
Workers Compensation	67,510
Other	19,050
PILOT	111,500
Bad Debt Expense (Collection Loss)	211,620
Other General Expense	147,080
Extraordinary Maintenance	0
Total General Expenses	815,070
Total Expenses, excl. Asset Management	16,283,630
Asset Management	350,580
Other: Energy/ Perf Contract	0
EPC Interest	304,110
CFFP Interest Expense	0
Operating Transfers	408,250
TOTAL EXPENSES	17,346,570
Cash Flow from Operations excluding Extraordinary Maintenance	63,900
Transfers between AM/PS	0
Capital Expenses and Extraordinary Maintenance	68,000
NET PER BUDGET STATEMENT	(4,100)
RESERVES (ESTIMATED FY ENDING 6-30-16)	\$ 16,526,616

Section 8

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Section 8

- Programs Include:
 - **Housing Choice Voucher (3,848 Authorized Units)**
 - **Project Based Housing Choice Vouchers (141 units Housing First included in above totals)**
 - **Mainstream Vouchers (100 Units)**
 - **Moderate Rehab Programs (82 units)**
- Housing Assistance Payment (HAP) to private landlords of approximately \$22.6M (pass-thru) is not included as part of this operating budget

Section 8

- Revenue includes:
 - **Earned Administrative Fees (3,755 units included in estimated funding; Proration of 80% for 2016 and estimated at 83% for 2017)**
 - **Fraud Recovery**
 - **Grants (Family Self-Sufficiency)**
 - **Investment Income**
 - **Other**
- Expenses include:
 - **Administrative**
 - **Resident Services**
 - **Maintenance**
 - **Insurance/Other**

Section 8

Revenue	\$2,166,980
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Expenses	\$2,125,250
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Net Income/(Loss)	\$41,730
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**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
SECTION 8**

CHANGES FROM FY2016 TO FY2017

TOTAL REVENUE: An increase of 3% is proposed for 2017 over 2016 figures primarily due to a projected increase in administrative fees earned.

TOTAL EXPENSES: A decrease of 6% is proposed for 2017 over 2016 figures. This decrease is primarily due to a projected decrease in compensated absences, audit, telephone, computer services, inspection cost, and one less position.

NET INCOME: Proposed at \$ 41,730.

Reserves all Section 8 programs:

FYE 2015: 526,292 (297,235 HCV, 193,787 Moderate Rehab, 35,270 Mainstream Vouchers)

FYE 2016: (estimated): 676,778 (446,641 for HCV, 194,757 for Moderate Rehab, 35,380 Mainstream Vouchers)



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
SECTION 8 PROGRAMS
JULY 1, 2016 - JUNE 30, 2017

REVENUE

HUD PHA Grants: Administrative Fees	\$2,043,500
HUD PHA Grants: FSS and Homeownership Grant	\$48,580
Homeownership Closing Fees	\$1,400
Other Income	\$100
Investment Income	\$2,390
Audit Reimbursement Income	\$4,000
Fraud Recovery Income	\$66,610
Revenue Missed Appt Fee	\$320
Rebates	\$80

TOTAL REVENUE **\$2,166,980**

EXPENSES

Administrative Salaries	\$503,000
Administrative Benefits	\$239,280
Compensated Absences	\$52,280
Legal Fees	\$200
Staff Training	\$12,560
Travel	\$13,050
Audit	\$37,740
Telephone	\$5,900
Computer Support	\$24,740
Office Supplies and Furnishings	\$4,110
Printing and Duplication	\$12,090
Postage	\$20,650
Advertising and Marketing	\$600
Publications	\$670
Other Administrative Expenses	\$17,580
Inspection Costs	\$135,900
Management Fees	\$540,720
Bookkeeping Fees	\$337,950
Administrative Expense	1,959,020

FSS/Homeownership Salary	\$38,390
FSS/Homeownership Benefits	\$32,520
Tenant Services Expenses	\$70,910

Water	\$0
Electricity	\$0
Gas	\$0
Sewer	\$0
Other utilities expense	\$0
Utilities	\$0

Maintenance Salaries	\$0
Maintenance Benefits: General	\$0
Materials	\$510
Garbage and Trash Disposal	\$0
Contract Costs	\$2,750
Maintenance	\$3,260

Insurance : Property	\$10
Insurance: General Liability	\$12,280
Insurance: Fidelity	\$4,080
Insurance: Worker's Compensation	\$1,950
Insurance: Other	\$4,730
Insurance	\$23,050

Collection Losses	\$51,040
Other Portability Admin Expense	\$17,970
HAP - HCV Port-in	\$0
	\$69,010

TOTAL EXPENSES **\$2,125,250**

Net Income Before Operating Transfer To Section 8	41,730
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Operating Transfer from Central Office Cost Center	\$0
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NET INCOME (LOSS) **41,730**

RESERVES (ESTIMATED FY ENDING 6-30-16) **\$ 526,292**

Central Office Cost Center

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Central Office Cost Center

- 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**

Central Office Cost Center

Revenue	\$4,708,630
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Expenses	\$4,990,330
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Operating Transfer In (KHDC)	\$281,700
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Net Income/(Loss)	\$0
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**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
CENTRAL OFFICE COST CENTER
CHANGES FROM FY2016 TO FY2017**

TOTAL REVENUE: A decrease of 4% is proposed for 2017 over 2016 figures. This decrease is primarily due to a projected decrease in management fees, bookkeeping fees and fee for services.

TOTAL EXPENSES: An increase of 8% is proposed for 2017 over 2016 figures. This increase is primarily due to a projected increase in employee salaries and benefits related to the Executive Director/CEO position, compensated absences, and computer support.

NET LOSS: Proposed at (\$281,700) with an operating transfer as needed from KHDC of \$ 281,700 resulting in net loss -\$0-.

Cost Center operates as a self-sufficient business activity.

Reserves:

FYE 2015: 5,839,866

FYE 2016: (estimated): 5,968,515



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

CENTRAL OFFICE COST CENTER (SUMMARY)

JULY 1, 2016 - JUNE 30, 2017

REVENUE

Public Housing Management Fees	1,768,680
Public Housing Bookkeeping Fees	282,450
Public Housing Asset Management Fee	423,000
Other Program Management Fees	52,060
Other Program Bookkeeping Fees	-
Housing Choice Voucher Program Management Fees	540,720
Housing Choice Voucher Program Bookkeeping Fees	337,950
Capital Fund Administrative Fee	200,000
Fee For Specialized Service - Pest Control	-
Fee For Specialized Service - Interior Painting	186,870
Fee For Specialized Service - HVAC	416,250
Fee For Specialized Service - Plumbing	-
Fee For Specialized Service - Concrete Sidewalks	-
Fee For Specialized Service - Bulky Debris Pickup	189,700
Interest Income	26,700
Other Income	284,250

TOTAL REVENUE **4,708,630**

EXPENSES

Administrative Salaries	2,427,800
Administrative Benefits: General	836,520
Compensated Absences	275,420
Legal Fees	35,700
Staff Training	95,830
Travel / Meetings	70,240
Audit	3,120
Computer Support	224,350
Telephone	47,580
Office Supplies and Furnishings	18,830
Advertising and Marketing	1,640
Other Administrative Expenses (Sundry)	132,090
Administrative Expense	4,169,120

Water	9,730
Electricity	43,350
Gas	9,140
Sewer	4,380
Other utilities expense	-
Utilities	66,600

Maintenance Salaries	363,390
Maintenance Benefits: General	168,230
Materials	33,160
Garbage and Trash Disposal	1,740
Contract Costs	140,030
Maintenance	706,550

Insurance : Property	5,080
Insurance: General Liability	110
Insurance: Fidelity	-
Insurance: Worker's Compensation	26,060
Insurance: Other	8,810
General Expense	40,060

Other General Expense	-
Capital Expenses	8,000

TOTAL EXPENSES **4,990,330**

Net Income/(Loss) Before Operating Transfer **(281,700)**

Operating Transfer to Section 8 **-**

Operating Transfer from KHDC **281,700**

NET INCOME (LOSS) **-**

RESERVES (ESTIMATED FY ENDING 6-30-16) **\$ 5,839,866**

Knoxville's Housing Development Corporation (KHDC)

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Knoxville's Housing Development Corporation (KHDC)

- Subsidiary corporation created for entrepreneurial development activities
- Primary non-federal funding source
- Revenue includes:
 - **Ownership and lease of non-dwelling and dwelling properties:**
 - **Dollar General Store**
 - **Head Start Building**
 - **22 Dwelling Units from Passport Homes LP**
 - **Tax Increment Financing Revenue (TIF from prior HOPE VI project)**
 - **Investment and Other Income**
- Expenses include:
 - **Administrative**
 - **Maintenance**
 - **Utilities**
 - **Interest Expense**
 - **Insurance**

Knoxville's Housing Development Corporation (KHDC)

Revenue	\$673,640
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Expenses	\$269,260
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Net Income/(Loss)	\$404,380
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**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
KNOXVILLE'S HOUSING DEVELOPMENT CORPORATION**

CHANGES FROM FY2016 TO FY2017

TOTAL REVENUE: An increase of 8% is proposed for 2017 over 2016 figures primarily due to increase in tax increment revenue and adding subsidy for 22 Passport Homes Sec 8 units.

TOTAL EXPENSES: A decrease of 8% is proposed for 2017 over 2016 figures primarily due to a decrease in projected salaries chargeable to the program, various administrative expenses, and a reduction in the HOPE VI TIF interest.

NET INCOME: Proposed at \$404,380.

Reserves:

FYE 2015: \$7,544,570

FYE 2016: (estimated);\$7,410,570



KNOXVILLE'S HOUSING DEVELOPMENT CORPORATION

JULY 1, 2016 - JUNE 30, 2017

REVENUE	KHDC	HEADSTART	DOLLAR	PASSPORT	TOTAL
Tenant and Non-Dwelling Rental Income	\$0	\$162,930	\$30,000	\$94,730	\$287,660
Investment Income	36,470	0	0	0	\$36,470
Tax Increment Revenue	349,450	0	0	0	\$349,450
Other Income	60	0	0	0	\$60

TOTAL REVENUE	\$385,980	\$162,930	\$30,000	\$94,730	\$673,640
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EXPENSES	KHDC	HEADSTART	DOLLAR	PASSPORT	TOTAL
Administrative Salaries	6,670	0	0	0	\$6,670
Employee Benefits - Administrative	1,650	0	0	0	\$1,650
Other Operating - Administrative	39,610	0	0	18,300	\$57,910
Management Fees	0	0	0	0	\$0
Travel	1,060	0	0	0	\$1,060
Utilities	0	0	0	600	\$600
Ordinary Maintenance and Operations	24,960	9,000	38,110	45,090	\$117,160
P.I.O.T	0	0	0	0	\$0
Insurance	840	110	440	1,100	\$2,490
Collection Loss	0	0	0	0	\$0
Interest Expense	29,190	40,680	0	11,850	\$81,720
Other General	0	0	0	0	\$0

TOTAL EXPENSES	\$103,980	\$49,790	\$38,550	\$76,940	\$269,260
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NET INCOME (LOSS)	\$282,000	\$113,140	(\$8,550)	\$17,790	\$404,380
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OPERATING TRANSFERS	KHDC	HEADSTART	DOLLAR	PASSPORT	TOTAL
Five Points	0	0	0	0	\$0

TOTAL OPERATING TRANSFERS	\$0	\$0	\$0	\$0	\$0
INCOME (LOSS) AFTER TRANSFER	282,000	113,140	(8,550)	17,790	404,380

RESERVES (ESTIMATED FY ENDING 6-30-16) \$ 7,410,570

Redevelopment

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Redevelopment

- Redevelopment agent for local government and public entities
- 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**
 - **Other Fees (i.e., other TIF deals, PILOT)**
 - **Billable Overhead**
 - **Leased Parking Lot Revenue**
 - **Investment Income**
- Expenses include:
 - **Administrative Overhead**
 - **Maintenance**
 - **Utilities**
 - **Insurance**

Redevelopment

Revenue	\$137,490
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Expenses	\$137,490
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Net Income/(Loss)	\$0
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**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
REDEVELOPMENT**

CHANGES FROM FY2016 TO FY2017

TOTAL REVENUE: A decrease of 1% is proposed for 2017 over 2016 figures primarily due to a decrease in leased property revenue earned by the program.

TOTAL EXPENSES: A decrease of 1% is proposed for 2017 over 2016 figures primarily due to various increases and decreases among the detailed line items including employee costs and mowing of lots.

NET INCOME: Proposed at \$ -0-.

Reserves:

FYE 2015: 7,785,548 (includes 6,899,500 in assets held for sale and 592,139 in LT notes receivable)

FYE 2016: (estimated): 7,757,478



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

REDEVELOPMENT GENERAL PLANNING

JULY 1, 2016 - JUNE 30, 2017

REVENUE	
Funds from Leased Property	\$42,600
Investment Income	\$20
Other Income	\$30
Overhead Fees	\$72,840
TIF Fees	\$10,000
PLOT Income	\$12,000

TOTAL REVENUE	\$137,490
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EXPENSES	
Administrative Salaries *	\$23,670
Employee Benefits - Administrative	\$11,450
Compensated Absences	\$32,260
Legal Expense	\$3,820
Training	\$1,000
Travel	\$0
Audit	\$370
Telephone	\$3,410
Office Supplies	\$0
Other Operating - Administrative	\$550
Administrative - Management Fee	\$55,900
Ordinary Maintenance and Operations: Materials	\$0
Ordinary Maintenance and Operations: Contract Costs	\$2,560
Utilities	\$1,560
Insurance	\$940
Other General Expense	\$0

TOTAL EXPENSES	\$137,490
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NET INCOME (LOSS)	\$0
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RESERVES (ESTIMATED FY ENDING 6-30-16)	\$7,785,548
	(includes 6,899,500 in assets held for sale and 592,139 in LT notes receivable)

Note: The Redevelopment Program is a self-sustaining activity. All operating revenues for project administration are guaranteed by specific project activities. Departmental and agency redevelopment activities are supplemented, as required, from General Planning Funds.

* Salaries shown in this Budget represent an estimate of all direct salary charges.

The Manor

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The Manor

- 29 year old supportive living facility located in Northgate Terrace
- 41 available units to eligible residents
- Revenue includes:
 - **\$515 Service Fee**
 - Resident paid, some scholarships based upon need
 - Fee coverage includes wellness checks, meals, light housekeeping, laundry and personal response system
 - **Investment Income**
 - **Donations**
- Expenses include:
 - **Administrative**
 - **Resident services**
 - **Maintenance**
 - **Insurance**

The Manor

Revenue	\$269,050
Expenses	\$293,720
Net Income/(Loss)	(\$24,670)



**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
THE MANOR**

CHANGES FROM FY2016 TO FY2017

TOTAL REVENUE: An increase of 4% is proposed for 2017 over 2016 figures primarily due to an increase in other income from donations.

TOTAL EXPENSES: A decrease of 6% is proposed for 2017 over 2016 figures primarily due to decrease in compensated absences, telephone, and computer services. We are committed to continuously improving our processes to cut costs. While financially challenging, this program serves an important need in our community and we are committed to development of a fund raising strategy to continue operations.

NET LOSS: Proposed at (\$24,670)

Reserves:

FYE 2015: \$ 152,954

FYE 2016: (estimated): \$ 128,103



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

THE MANOR

JULY 1, 2016 - JUNE 30, 2017

REVENUE

Service Fees (Manor Fees) (40 units)	247,200
Scholarship Loss	(5,580)
Interest on Investments	710
Other Income	26,720

TOTAL REVENUE **\$269,050**

EXPENSES

Administrative Salaries	6,000
Administrative Benefits: General	2,660
Compensated Absences	7,400
Legal Fees	0
Staff Training	110
Travel / Meetings	0
Audit	0
Computer Service	0
Telephone	1,220
Office Supplies and Furnishings	710
Advertising and Marketing	620
Other Administrative Expenses (Sundry)	810
Administrative - Management Fees	0
Administrative - Bookkeeping Fees	0
Administrative Expense	19,530

Salaries	68,330
Benefits	29,310
Tenant Services	82,690
Food Costs	92,980
Resident Services	273,310

Water	0
Electricity	0
Gas	0
Sewer	0
Other utilities expense	0
Utilities	0

Maintenance Salaries	0
Maintenance Benefits: General	0
Materials	530
Garbage and Trash Disposal	0
Contract Costs	10
Maintenance	540

Insurance : Property	0
Insurance: General Liability	0
Insurance: Fidelity	0
Insurance: Worker's Compensation	240
Insurance: Other	100
General Expense	340

Other General Expense	0
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TOTAL EXPENSES **293,720**

NET INCOME (LOSS) **(24,670)**

RESERVES (ESTIMATED FY ENDING 6-30-16) **\$152,954**

Multi-Family Housing



Multi-Family Housing

- First year program for properties moving from Public Housing to Section 8 Project Based Rental Assistance (PBRA) via the Rental Assistance Demonstration (RAD) tool.
- This budget includes a full year of revenue and expenses for Autumn Landing and Nature's Cove.
- This budget includes a half year of revenue and expenses projected for Lonsdale Homes, North Ridge Crossing, The Vista, Valley Oaks, Mechanicsville I & II and Five Points In-fill Senior based upon projected deal closings near the end of 2016.
- Revenues include:
 - **Housing Assistance Payments (HAP)**
 - **Tenant Rent**
 - **Other Tenant Related Charges**
 - **Other Income**
 - **Investment Income**
- Expenses include:
 - **Administrative**
 - **Resident Services**
 - **Maintenance and Security**
 - **Utilities**
 - **Insurance and Other General Expenses**
 - **Replacement Reserves**

Multi-Family Housing

Revenue	\$3,525,940
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Expenses	\$3,256,590
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Net Income/(Loss)	\$269,350
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**EXECUTIVE SUMMARY
PROPOSED 2017 BUDGET
MULTI-FAMILY HOUSING**

CHANGES FROM FY2016 TO FY2017

This is a first year program for the properties moving from the Public Housing Program to the Multi-Family Housing Program by means of RAD conversion. This budget includes a full year budget for Autumn Landing and Nature's Cove and a half year budget for Lonsdale Homes, North Ridge Crossing, The Vista, Valley Oaks, Mechanicsville I & II and Lee Williams Addition I & II.

TOTAL REVENUE: \$3,525,940

TOTAL EXPENSES: \$3,256,590

NET INCOME: Proposed at \$269,350



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

MULTI-FAMILY HOUSING

JULY 1, 2016 - JUNE 30, 2017

REVENUE

Dwelling Rentals:	
Gross Potential Rent	918,390
Vacancy/Loss	(13,850)
Net Dwelling Rentals	904,540
Other Rental Income	51,840
Non-dwelling Rentals	0
HAP subsidy	2,544,550
Investment Income	12,020
Other Income	12,990

TOTAL REVENUE **3,525,940**

EXPENSES

Administrative Salaries	222,840
Benefits	101,330
Compensated Absences	59,090
Legal	3,810
Staff Training	13,920
Travel	6,900
Audit	15,600
Telephone	19,830
Computer Support	13,810
Office Expenses	7,440
Advertising and Marketing	3,180
Management Fee	275,400
Bookkeeping Fee	35,230
Centralized Front-Line Service Fee (Administrative Fee)	83,950
Court Costs	9,330
Administrative Other	11,930
Total Administrative	883,590

Resident Services Salaries	700
Benefits (per actual %; varies by site)	150
Resident Participation	12,930
Resident Services Contracts	17,100
Total Resident Services	30,880

Gas	870
Electric	80,290
Water	132,160
Sewer	316,150
Total Utilities	529,470

Maintenance Salaries	300,530
Benefits	169,450
Maintenance Materials	87,680
Fee For Service: Interior Painting-Repairs	0
Fee For Service: Interior Painting-Occupied	0
Fee For Service: Interior Painting-Turnover	0
Fee for Service: Carpentry/Concrete Work	0
Fee for Service: Bulky Debris Pickup	47,140
Fee for Service: HVAC	47,680
Fee for Service: Plumbing	97,210
Routine Contracts: Grounds/Landscaping	112,890
Routine Contracts: Vehicle Maintenance	9,360
Routine Contracts: Pest Control	22,650
Routine Contracts: Security Monitoring	12,620
Routine Contracts: Uniforms	2,630

Other Routine & Miscellaneous Contracts	195,210
Elevator Service	1,400
Electrical Service	15,140
Trash Removal	48,910
Total Maintenance	1,170,500
Security Labor	-
Benefits	-
Materials	-
Contracts-City Police	76,500
Total Protective Services	76,500
Insurance:	
Property	71,210
General Liability	20,960
Fidelity	620
Workers Compensation	16,490
Other	5,380
PILOT	49,290
Bad Debt Expense (Collection Loss)	32,610
Other General Expense	2,130
Extraordinary Maintenance	-
Total General Expenses	198,690
Total Expenses, excl. Asset Management	2,889,630
Asset Management	29,280
Other:	
Debt Service/Interim Income for Development	466,770
Replacement Reserves	279,160
Operating Transfers	(408,250)
TOTAL EXPENSES	3,256,590
Cash Flow from Operations excluding Extraordinary Maintenance	269,350
Transfers between AM/PS	-
Capital Expenses and Extraordinary Maintenance	-
NET PER BUDGET STATEMENT	269,350

QUESTIONS

