

Knoxville's Community Development Corporation



**FY 2024 Proposed Operating Budgets
Capital Project Updates**

FY2024 Operating Budgets



Operating Budget

- Objectives:
 - Goal setting with emphasis on pressing needs
 - Planning tool
 - Engagement of staff at all levels
 - Analysis to establish baseline for analytics
 - Compliance to meet grantor requirements
- Challenges:
 - Unforeseen expenditures
 - Limited revenue streams
 - Timing misalignment
 - Data interpretation

Operating Budget

KEY POINTS

- Collaborative process between Accounting Division, Program Staff and Management
- Accounting Division: Fixed Costs and some Variable Costs
 - Example: Wages/Benefits, Fixed Contracts, Interest, Insurance, Utilities
- Program Staff: Variable Costs
 - Example: Administrative, Maintenance, Non-routine
- Asset Management Model
 - Project-based accounting and budgeting, fee-for-service model

Public Housing Operating Program



Public Housing Properties FYE 2024 (196 units)

- Western Heights ~ 196 units

Public Housing Operating Subsidy Assumptions

- Subsidy is estimated at \$1,219,210
- Pro-ration was 95% for 2023 Formula
- Pro-ration estimate at 95% for 2024 Formula

Public Housing

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 1,648,073	\$ 2,358,820	\$ (710,747)	-30%
Expenses	1,613,503	1,930,080	(316,577)	-16%
Subtotal	34,570	428,740	(394,170)	-92%
Operating Transfer to MFH	-	(339,150)	339,150	-100%
Net Income/(Loss)	\$ 34,570	\$ 89,590	\$ (55,020)	-61%

Section 8



Section 8

- Programs Include 4,286 units:
 - **Housing Choice Voucher (3,933 authorized units)**
 - **Project Based Housing Choice Vouchers (563 units not included in above totals)**
 - **Mainstream Vouchers (240 units)**
 - **Moderate Rehab Programs (50 units)**
 - **Emergency Housing Vouchers (63 units)**
- Housing Assistance Payment (HAP) to private landlords of approximately \$26M (pass-thru) is included as revenue and expense in operating budget

Section 8

- Revenue includes:
 - **Earned Administrative Fees of ~\$2.5M (3,401 units included in estimated funding; proration of 89.5% estimated for FY2024)**
 - **HAP revenue of ~\$26M**

Section 8

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 28,459,862	\$ 2,812,940	\$ 25,646,922	912%
Expenses	28,406,836	2,496,460	25,910,376	1038%
Net Income/(Loss)	\$ 53,026	\$ 316,480	\$ (263,454)	-83%

Central Office Cost Center



Central Office Cost Center

- Agency overhead broken down into divisions:
 - Executive Management
 - Accounting
 - Human Resources
 - Information Systems
 - Purchasing
 - Housing Management
 - Supportive Maintenance
 - LP Management

COCC

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 6,656,495	\$ 3,516,170	\$ 3,140,325	89%
Expenses	9,247,641	5,263,430	3,984,211	76%
Subtotal	(2,591,146)	(1,747,260)	(843,886)	48%
Capital	(2,259)	(30,000)	27,741	-92%
Net Income/(Loss)	(2,593,405)	(1,777,260)	(816,145)	46%
Operating Transfer In from MFH/LP Mgt Co./Subs	2,417,037	1,777,260	639,777	36%
Net Income (Loss)	\$ (176,368)	\$ -	\$ (176,368)	100%

Knoxville's Housing Development Corporation (KHDC)



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 Buildings (North Ridge Crossing and Western Heights)**
 - **Five Points Boys and Girls Club**
 - **22 Dwelling Units from Passport Homes LP**
 - **53 Clifton Road units**
 - **Austin Home land expenses (outside partnerships)**

KHDC

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 1,273,987	\$ 1,095,650	\$ 178,337	16%
Expenses (including RR/DS)	1,365,735	1,283,400	82,335	6%
Cash Flow From Operations	\$ (91,748)	\$ (187,750)	\$ 96,002	-51%

KHDC

NON-OPERATING/ CAPITAL RESERVES ACTIVITY	FY 2024	FY 2023	\$ Var	%
June 30 Beginning Balance	\$ 9,940,116	\$ 3,005,297	\$ 6,934,819	231%
Transfers In Redevelopment/ MFH	-	470,150	(470,150)	-100%
Transfer in Sub Corps (Fees, Cash Flow), Sales, Grants	8,102,397	14,599,165	(6,496,768)	-45%
Transfers Out to Capital Contributions, Fees	(14,582,822)	(8,134,496)	(6,448,326)	79%
June 30 Ending Balance	\$ 3,459,691	\$ 9,940,116	\$ (6,480,425)	-65%

Redevelopment



Redevelopment

- Redevelopment agent for local government and public entities
- Direct local government projects are not included as part of this operating budget
- Revenue includes:
 - **Tax Increment Financing (TIF) fees from Knox County**
 - **Other Fees (i.e., PILOT, Developer fees)**
 - **Leased Parking Lot Revenue**

REDEVELOPMENT

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 1,518,017	\$ 1,003,610	\$ 514,407	51%
Expenses	1,326,257	523,460	802,797	153%
Subtotal	191,760	480,150	(288,390)	-60%
Excess Fees Transfer to KHDC	-	(470,150)	470,150	-100%
Net Income/(Loss)	\$ 191,760	\$ 10,000	\$ 181,760	1818%

The Manor



The Manor

- 30 + year old supportive living facility located in Northgate Terrace
- 41 available units to eligible residents
- Revenue includes:
 - **Service Fee (income-based at re-exam)**
 - Resident paid, some scholarships based upon need
 - Fee coverage includes wellness checks, meals, light housekeeping, laundry and personal response system
 - **Donations**

THE MANOR

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 308,510	\$ 281,710	\$ 26,800	10%
Expenses	312,714	286,390	26,324	9%
Net Income/(Loss)	\$ (4,204)	\$ (4,680)	\$ 476	-10%

Multi-Family Housing



Multi-Family Housing Properties FYE 2024 (1,214 KCDC Owned Units)

- Autumn Landing/Nature's Cove ~ 197 units
- Mechanicsville ~ 48 units
- Valley Oaks ~ 48 units
- Five Points Sr. Duplexes ~ 20 units
- Verandas ~ 42 units
- Five Points Multiplexes ~ 17 units
- Passport Residences ~ 61 units
- Love Towers ~ 249 units
- Isabella Towers ~ 234 units
- Eastport School ~ 25 units
- Northgate Terrace ~ 273 units

MULTI-FAMILY HOUSING

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 10,412,272	\$ 8,729,570	\$ 1,682,702	19%
Expenses (including RR/DS)	7,539,919	7,701,200	(161,281)	(2%)
Cash Flow from Operations	2,872,353	1,028,370	1,843,983	179%
Operating Transfer from PH	-	339,150	(339,150)	(100%)
Operating Transfer to COCC	(1,484,539)	(1,461,500)	(23,039)	2%
Net after Transfers	\$ 1,387,814	\$ (93,980)	\$ 1,481,794	(1,577%)

Montgomery Village Corporation



MONTGOMERY VILLAGE CORPORATION (HUD 223 F Loan)

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 3,482,538	\$ 3,493,460	\$ (10,922)	0%
Expenses (including RR/DS)	2,622,482	2,805,230	(182,748)	-7%
Cash Flow from Operations	860,056	688,230	171,826	25%
Operating Transfer to COCC	(385,988)	-	(385,988)	100%
Net after Transfers	\$ 474,068	\$ 688,230	\$ (214,162)	-31%

Cagle Terrace Corporation



CAGLE TERRACE CORPORATION

(HUD 223 F Loan)

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 2,813,668	\$ 2,594,040	\$ 219,628	8%
Expenses (including RR/DS)	1,729,544	2,010,780	(281,236)	-14%
Cash Flow from Operations	1,084,124	583,260	500,864	86%
Operating Transfer to COCC	(546,510)	-	(546,510)	100%
Net after transfers	<u>\$ 537,614</u>	<u>\$ 583,260</u>	<u>\$ (45,646)</u>	-8%

TOTAL AGENCY OPERATING PROGRAMS

ACCOUNT CATEGORIES	FY 2024	FY 2023	\$ Variance	%
Revenues	\$ 56,573,422	\$ 25,885,970	\$ 30,687,452	119%
Expenses (includes RR/DS)	54,164,631	24,639,580	29,525,051	120%
Net Income/ (Loss) or Cash Flow From Operations	\$ 2,408,791	\$ 1,246,390	\$ 1,162,401	93%

Capital Project Updates

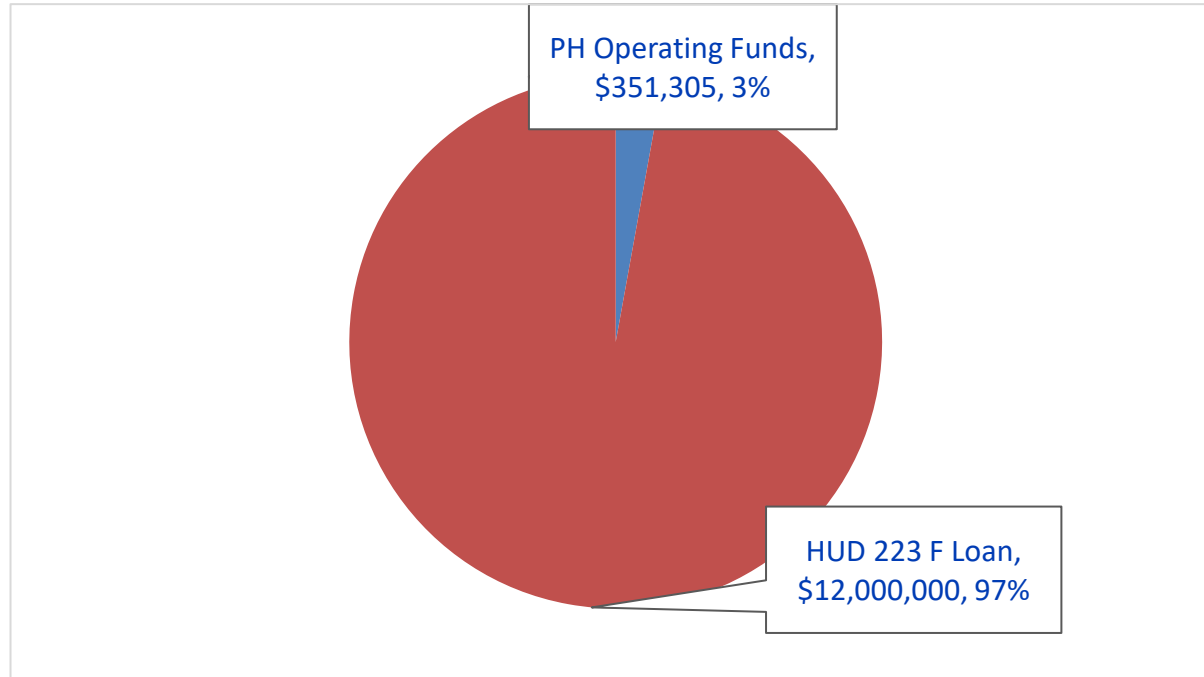
- Collaborative staff effort
 - New Construction: Development/Legal/Housing/Accounting Team
 - Rehab: Development/Housing/Legal/Accounting Team
 - Timeline based upon deadlines for:
 - » RAD conversion (Financing Plan, Closing)
 - » Tax Credit applications
 - » Other funding applications (loans, grants, etc.)

Capital Projects

FY 2023 Completions to Date

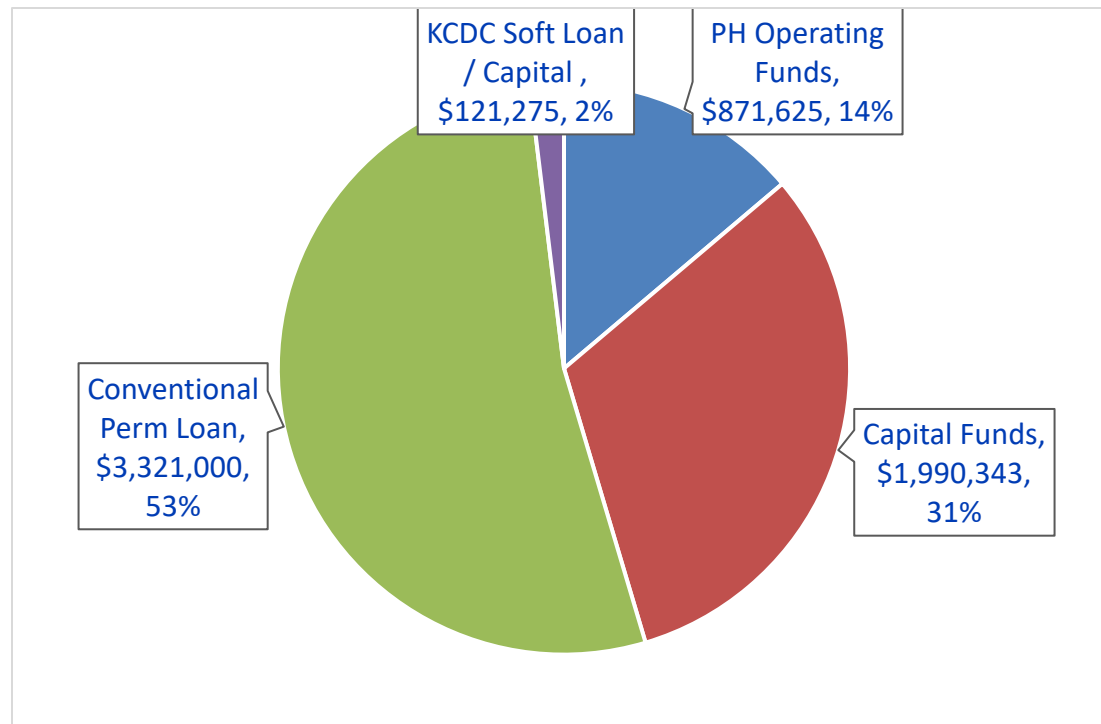
- **Cagle Terrace Rehab**
- **Isabella Towers Rehab**
- **Western Heights Head Start**

Cagle Terrace Corporation



\$12,351,305 Budget
\$12,351,305 Expenditures
100% Budget Complete

Isabella Towers

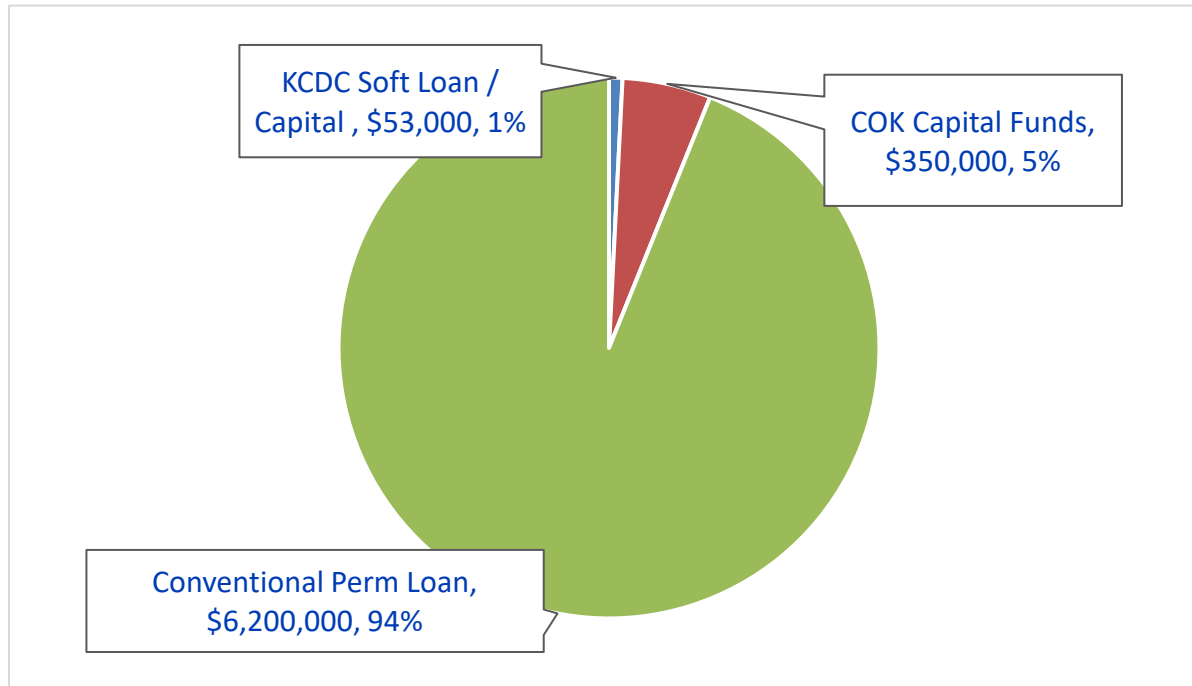


\$6,304,243 Budget

\$6,304,243 Expenditures

100% Budget Complete

Western Heights Head Start

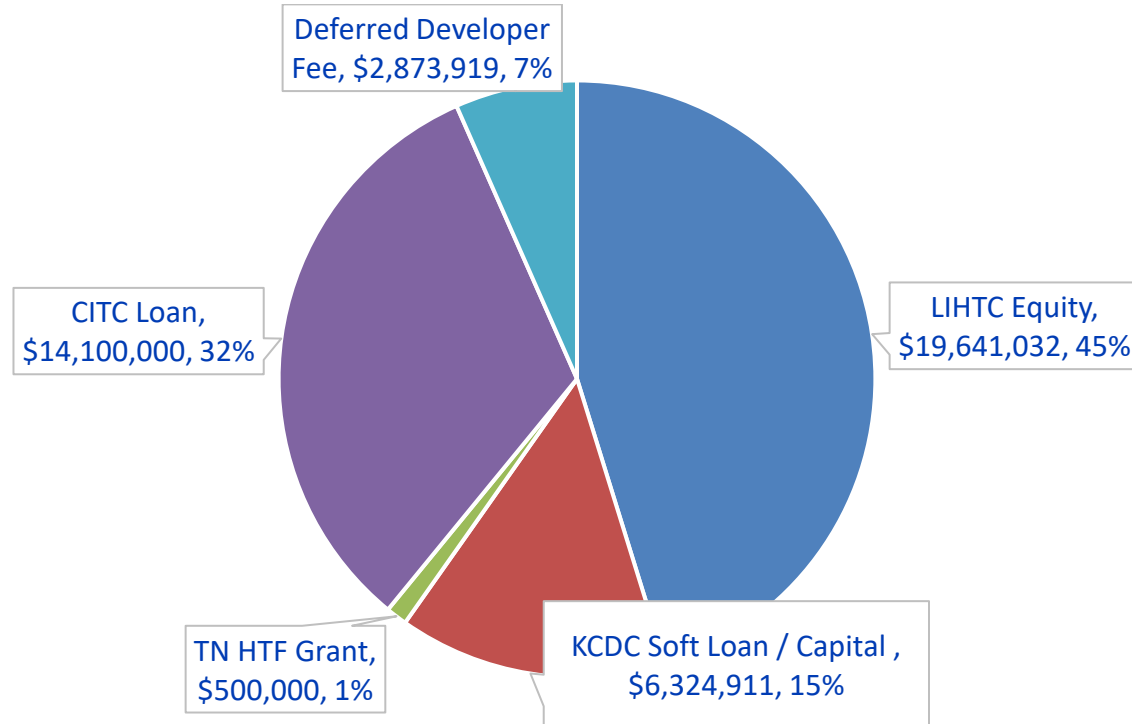


\$6,603,000 Budget
\$6,603,000 Expenditures
100% Budget Complete

Ongoing Capital Projects

- **In-process:**
 - Austin Homes Phase 1B (180 units)
 - Northgate Terrace (273 units)
 - Western Heights 3-1 Renovation (232 units)
- **Pre-Development:**
 - Austin Phase 3 (161 units)
 - Five Points Infill (10 SF houses)
 - Western Heights CNI Phase 1 (76 units)
 - Veterans Permanent Supportive Housing (32 units)

Austin Homes Phase 1B (Bell Street 3 LP)

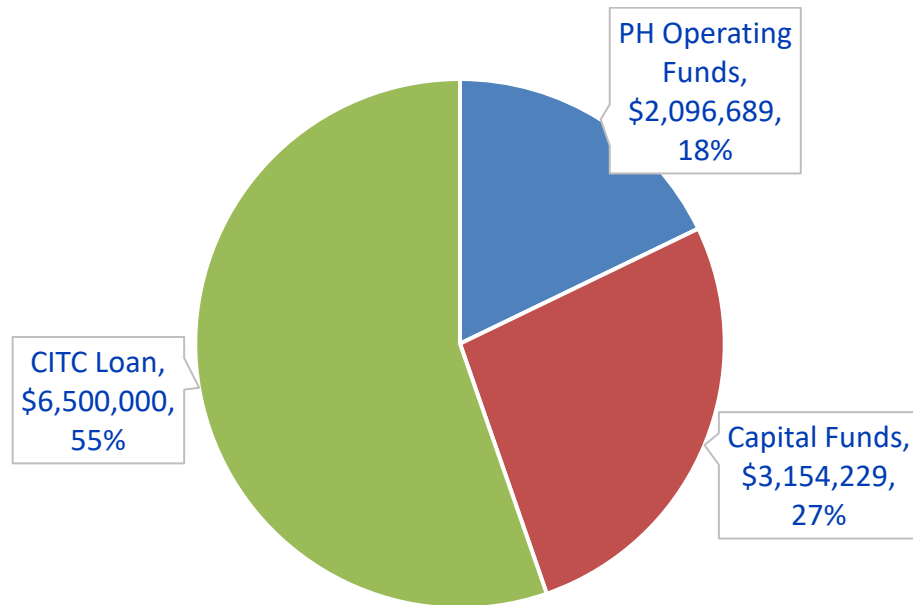


\$43,439,912 Budget

\$27,500,000 Expenditures

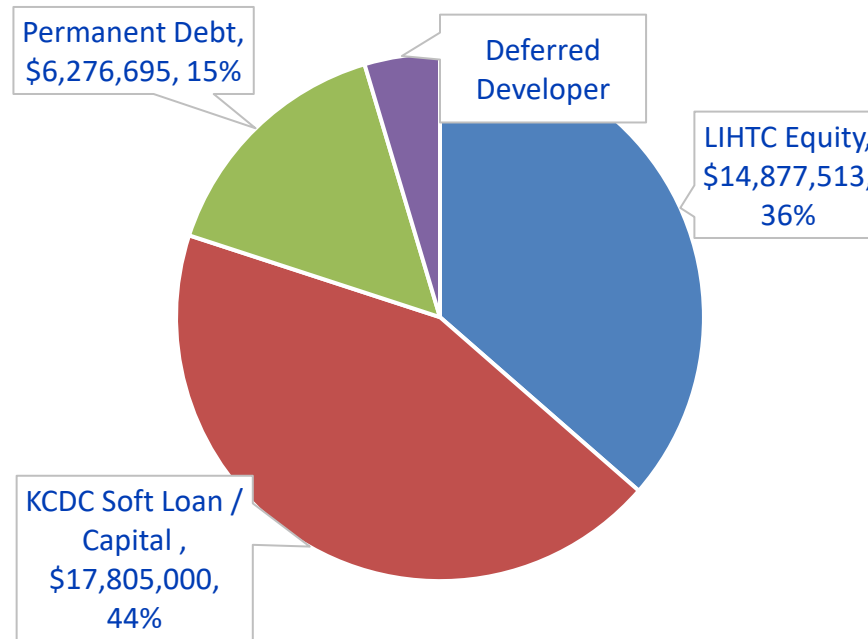
63% Budget Complete

Northgate Terrace



\$11,750,918 Budget
\$5,999,772 Expenditures
51% Budget Complete

Western Heights 3-1 (Western Heights LP)

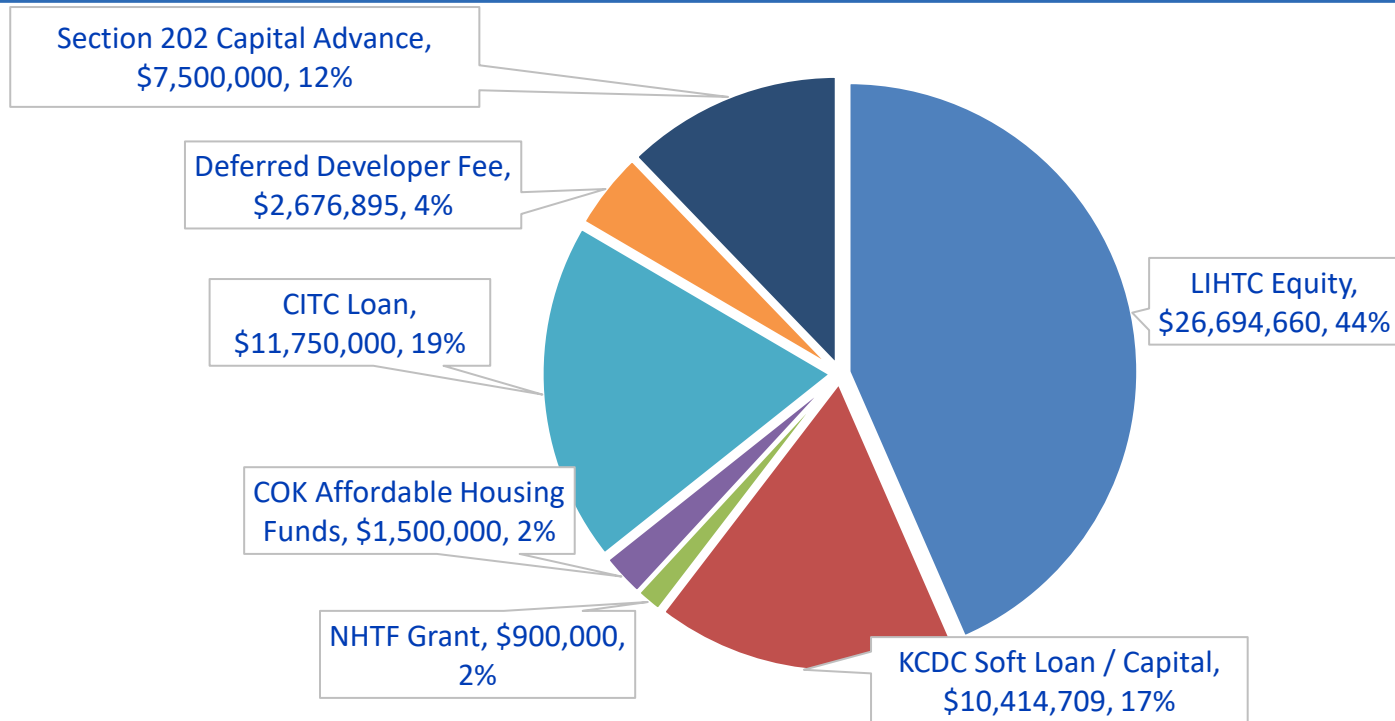


\$40,844,207 Budget

\$20,875,841 Expenditures

51% Budget Complete

Austin Homes Phase 3 (Bell Street 2 LP)

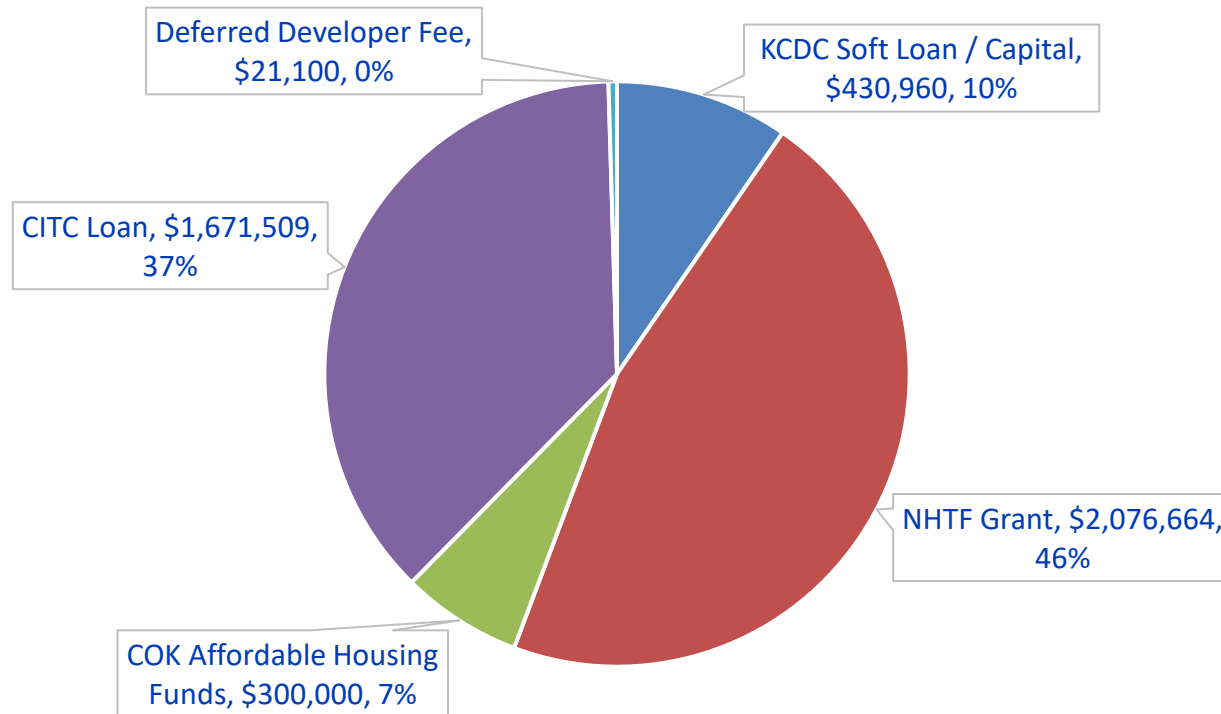


\$61,436,264 Budget

\$ 1,724,183 Expenditures

2.80% Budget Complete

Five Points Infill

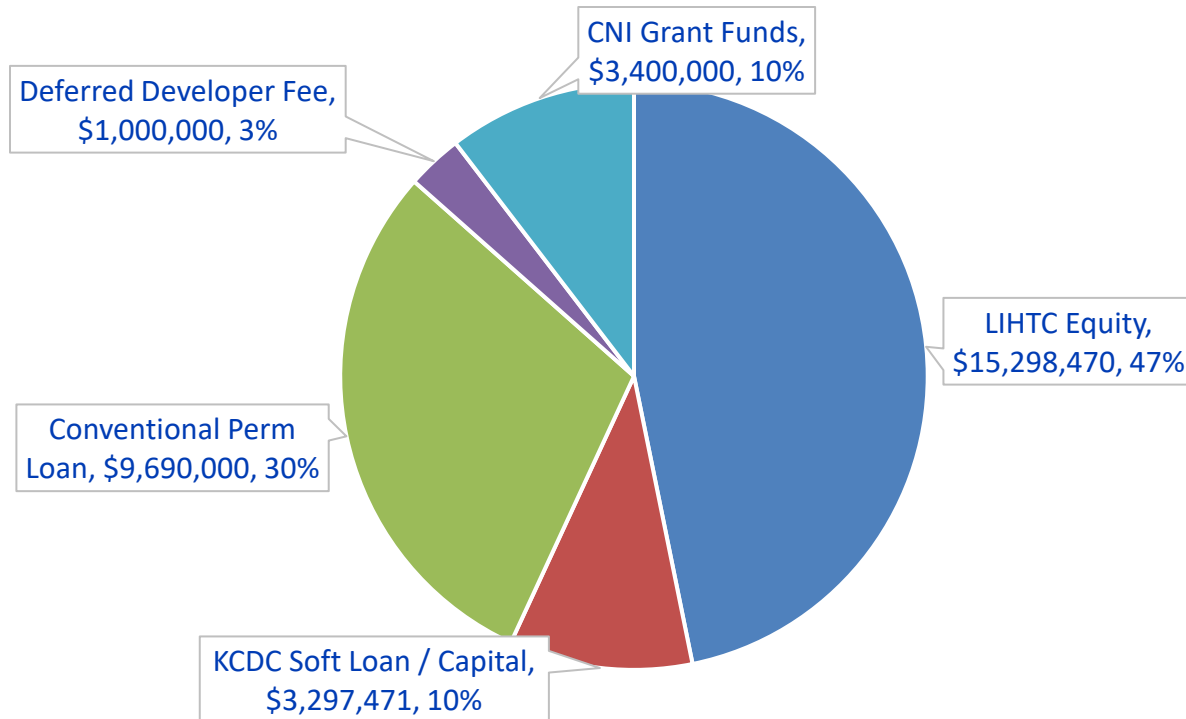


\$4,500,233 Budget

\$155,171 Pre-Dev Expenditures

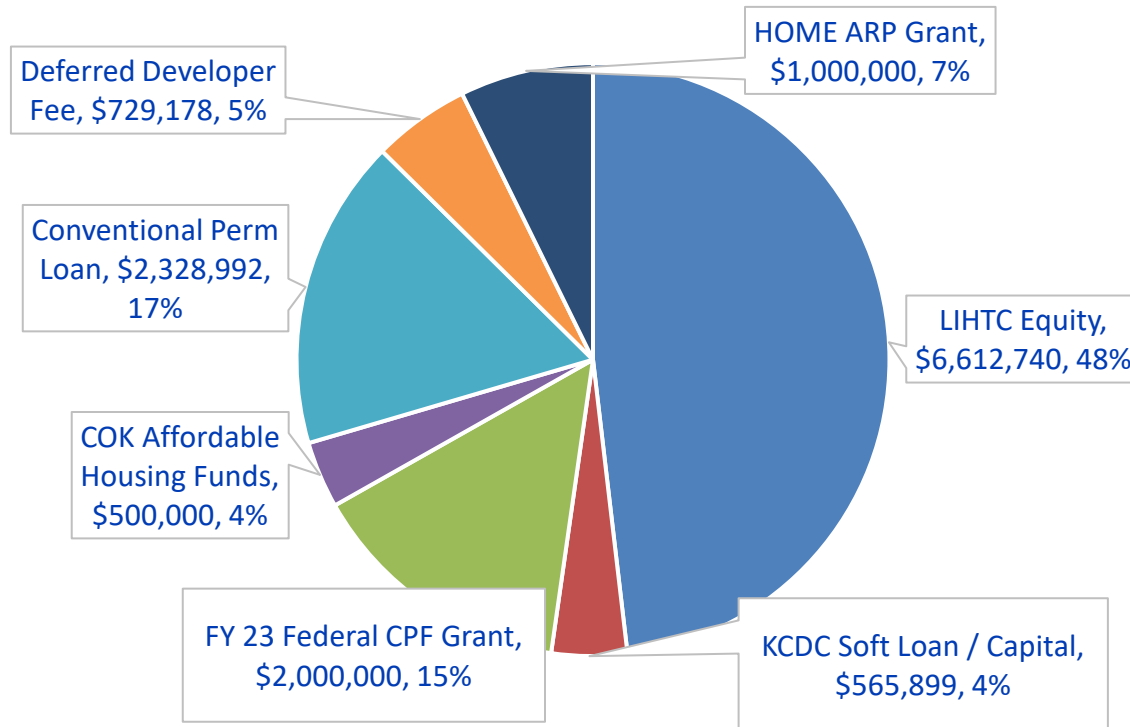
3.44% Budget Complete

Western Heights CNI Phase 1



\$32,685,941 Budget
\$213,193 Expenditures
.65% Budget Complete

Veterans Permanent Supportive Housing (Liberty Place Knoxville)



\$13,736,809 Budget

\$311,024 Expenditures

2.26% Budget Complete

QUESTIONS

