

Annual PHA Plan
(Standard PHAs and Troubled PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.														
A.1	<p>PHA Name: Knoxville's Community Development Corporation (KCDC) PHA Code: TN003</p> <p>PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY):07/01/2026</p> <p>PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p>Number of Public Housing (PH) Units: 196</p> <p>Number of Housing Choice Vouchers (HCVs): 2,879</p> <p>Number of Project-Based Vouchers: 1,016</p> <p>Number of FYI Vouchers: 25</p> <p>Number of FUP Vouchers: 18</p> <p>Number of VASH Vouchers: 118</p> <p>NED Vouchers: 175</p> <p>Number of Tenant Projection Vouchers: 73</p> <p>Number of Emergency Housing Vouchers: 46</p> <p>Number of Mainstream Vouchers: 240</p> <p>Total Combined Units/Vouchers 4,786</p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p>Availability of Information. PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:					
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		PH	HCV												
Lead PHA:															
B.	Plan Elements														
B.1	<p>Revision of Existing PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p>														

- Financial Resources.
- Rent Determination.
- Operation and Management.
- Grievance Procedures.
- Homeownership Programs.
- Community Service and Self-Sufficiency Programs.
- Safety and Crime Prevention.
- Pet Policy.
- Asset Management.
- Substantial Deviation.
- Significant Amendment/Modification

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):

(c) The PHA must submit its Deconcentration Policy for Field Office review.

KCDC will affirmatively market housing to all eligible income groups. Lower income residents will not be steered toward lower income properties and higher income resident will not be steered toward higher income properties. Toward this end, KCDC will:

- Provide information and referral services that link residents to supportive services, such as childcare, job training and placement programs and case management.
- Offer rent incentives, if deemed appropriate and financially feasible, for eligible families who will have the sole discretion in determining whether to accept the incentive. KCDC will not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of a property.

Prior to the beginning of each fiscal year, KCDC will analyze the income levels of families residing in each of its properties and the income levels of the families on the waiting list. Based on this analysis, KCDC will determine marketing strategies for deconcentration.

B.2 New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

Y N

- Hope VI or Choice Neighborhoods.
- Mixed Finance Modernization or Development.
- Demolition and/or Disposition.
- Designated Housing for Elderly and/or Disabled Families.
- Conversion of Public Housing to Tenant-Based Assistance.
- Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.
- Occupancy by Over-Income Families.
- Occupancy by Police Officers.
- Non-Smoking Policies.
- Project-Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Hope VI / Choice Neighborhoods

Western Heights 3-4/CNI: KCDC received a \$40 million HUD Choice Neighborhood Implementation Grant in 2022 to support the reconstruction of Western Heights Addition (3-4). The grant agreement was executed in the fourth quarter of 2022. KCDC has submitted through the Section 18 application process for demolition and/or disposition of all 196 existing units within the 3-4 section (a detailed listing of buildings and units are included as an attachment to this Plan) divided between CY2023/CY2024 and CY2025/CY2026 to facilitate the CNI implementation plan. Approval to dispose of the real estate and improvements associated with the 3-4 section (e.g. all of the property and improvements at Western Heights not associated with the 3-1 or the Head Start) and/or demolition of the 196 units has been received as part of the larger CNI redevelopment plan and the final phase will occur in CY2025/CY2026. As part of the CNI plan, all 196 units that are removed will be rebuilt across the various phases of the CNI between 2023-2029. The first phase of the CNI is 76 total units will open in early 2026. The second phase of CNI housing will have 52 units and will open in late 2026. Phase 3 of CNI housing will close in mid-2026 and begin construction before the end of 2026. The housing projects are all expected to be capitalized with 9% tax credit equity, hard debt, soft loans from KCDC, deferred fee, local, state and federal grants, CNI funds and other funding streams available to KCDC. Each phase will be mixed income and will include market units, tax-credit only units and tax credit units with project-based vouchers (replacement units). The project period for the entire CNI plan began in 2022 and will continue through 2028, and possibly 2029 with the no-cost extension issued by HUD. KCDC will continue infrastructure activities related to demolition in preparation of construction of new buildings and phases. Neighborhood projects will also commence during 2026 including several CCI's, once final approval is received by HUD, and several general neighborhood improvements.

Tenant Protection Vouchers

In connection with the Section 18 process for the Western Heights CNI, residents residing in the 196 units will receive tenant protection vouchers pursuant to CNI and Section 18 regulations.

Mixed Finance Modernization or Development

Mixed financial resources for the development of housing may include: Federal Housing Administration Loans, Fannie May, Freddy Max, Low Income Housing Tax Credits, taxable/tax-exempt Bonds, public housing funds where applicable, conventional debt financing (potentially within the

	<p>Community Investment Tax Credit Program), equity or soft loans from KCDC or its affiliates/instrumentalities, KHDC, City of Knoxville, Knox County, National Housing Trust Funds, Federal Home Loan Bank, Tennessee Housing Trust Funds, donations/charitable contributions, private lenders in conjunction with Capital Funds, Operating Subsidy, Replacement Housing Funds, Community Development Block Grants, HOME funds, Choice Neighborhood Implementation Grant, hard debt, and other local, regional or federal grants or soft loans. Work-Force/Mixed Income Housing: KCDC currently has plans for the possible development of 20-100 units specifically for Work-Force / Mixed Income Housing. A suitable location has not been located at this time. However, there is potential for ground-up new construction or the rehabilitation of an existing building. Additionally, depending on the chosen site there is the possibility of demolition of existing structures. However, currently KCDC does not anticipate the demolition of any existing structures within our portfolio for this project. Additional project based subsidies could include Low-Income Housing Tax Credit, Project-Based Vouchers, Community Investment Tax Credit, Conventional Debt, grants, soft loans or bonds.</p> <p>KCDC is planning to acquire a new property in CY2026 focused on Veteran’s Housing and is looking at project-basing 20 HUD-VASH vouchers for the project.</p> <p><u>Demolition and/or Disposition</u></p> <p>Section 18 demolition of 196 units within Western Heights (3-4) will begin during calendar year 2023 as noted previously in the Hope VI/Choice Neighborhood section of this Plan. Approximately 64 of these units were demolished in the first quarter of CY2024. The remaining units will be demolished at the beginning of CY2026. The existing Boy’s and Girl’s Club that is located on the same site as the 3-1 units will be extracted from any covenants or restrictions preventing recapitalization and renovations.</p> <p><u>Designated Housing for Elderly and/or Disabled Families</u></p> <p>KCDC is working with partners on the possible development of 30-80 units specifically for elderly families. A suitable location has not been located at this time. However, there is potential for ground-up new construction or the rehabilitation of an existing building.</p> <p>On December 19, 2025, KCDC submitted a request to for HUD review to implement a waiting list preference for all properties that were previously designated as elderly/disabled, to include Isabella Towers which was not previously designated, prior to conversion from Low Income Public Housing to Project-Based Rental Assistance utilizing the RAD Demonstration. This request has been forwarded to HUD’s Legal Department for review. Upon approval, KCDC will notify all existing applicants on the waiting lists for the following properties of the new application preferences available. At that time, applicants will have the opportunity to provide documentation/verification for the elderly and/or disabled preference to be added to their application.</p> <ol style="list-style-type: none"> 1. Isabella Towers, 1515 Isabella Circle Knoxville, TN 37915 (Date of conversion to PBRA/RAD: 11/01/2019) 2. Cagle Terrace, 515 Renford Road Knoxville, TN 37919 (Date of conversion to PBRA/RAD: 12/01/2020) 3. Northgate Terrace, 4301 Whittle Springs Road Knoxville, TN 37917 (Date of conversion to PBRA/RAD: 05/01/2022) 4. Guy B. Love Towers, 1171 Armstrong Avenue Knoxville, TN 37917 (Date of conversion to PBRA/RAD: 10/01/2019) <p><u>Project-Based Vouchers</u></p> <p>As of the time of the draft preparation for the comment/review period there are 340 additional Project-Based Vouchers in the planning stages that do not have a HAP contract signed at this time and will not be available until units are ready for leasing. The remaining 196 units of Public Housing within the KCDC portfolio will be converted to project-based vouchers (non-RAD) during the reconstruction with the first group to come online in CY2026. KCDC is also planning to project-base 20 HUD-VASH vouchers as part of a new Veteran’s project in late CY2026.</p>
<p>B.3</p>	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p><u>Expand the Supply of Affordable Housing / Increase Affordable Housing Choices</u></p> <ul style="list-style-type: none"> • Over the next several years, KCDC may utilize some of its Faircloth authority to create new affordable housing opportunities. Those opportunities would include new construction, acquisition/rehab or utilizing Faircloth authority to further support already constructed affordable housing. • Faircloth units may come online through RAD as either a long-term PBRA contract or PBV contract • KCDC may also utilize Faircloth units on existing properties where KCDC currently has project-based Section 8 vouchers. Those properties include; Sutherland Flats I & II, Southside Flats, Moss Grove, Young High Flats, or Pond Gap. • KCDC is also evaluating new construction mixed finance opportunities utilizing Faircloth authority to support the capitalization of those potential projects. Those projects being considered are between 30 and 75 units and there are sites being considered in 37920, 37917, 37922, 37923, 37919, 37921, 37932 and 37934. There may be some other locations outside of these zip codes that KCDC may intend to utilize Faircloth authority to support the capitalization of either new construction or acquisition/rehab of affordable housing.
<p>B.4</p>	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p>
<p>B.5</p>	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p>C.</p>	<p>Other Document and/or Certification Requirements.</p>
<p>C.1</p>	<p>Resident Advisory Board (RAB) Comments.</p>

	<p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<p>C.2</p>	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>C.3</p>	<p>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>C.4</p>	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
<p>C.5</p>	<p>Troubled PHA.</p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place?</p> <p>Y N N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p>D.</p>	<p>Affirmatively Furthering Fair Housing (AFFH).</p>

Attachment R – Rental Assistance Demonstration (RAD)

The Knoxville's Community Development Corporation (KCDC) is amending its 5-year PHA Plan because it was a successful applicant in the Rental Assistance Demonstration (RAD). As a result, KCDC will be converting to Project Based Rental Assistance under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Rental Assistance KCDC will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.7 of PIH Notice 2012-32, REV-2 and Joint Housing PIH Notice H-2014-09/PIH-2014-17. These resident rights, participation, waiting list and grievance procedures are appended to this Attachment. Additionally, KCDC certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing KCDC with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, KCDC's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that KCDC may also borrow funds to address their capital needs.

For Autumn Landing and Nature's Cove conversion KCDC will be contributing Operating Reserves in the amount of \$657,359.00 and Capital Funds in the amount of \$524,183.00 towards the conversion. Autumn Landing and Nature's Cove have not been awarded Replacement Housing Factor (RHF) Funds. For Five Points (Phase 1) we are planning to contribute \$734,640 in Replacement Housing Factor (RHF) Funds from FY2013. For Tranche I properties it is currently too early in the process to know the KCDC contributions from Capital Funds and Operating Reserves; however we do plan to contribute funds from these sources.

KCDC currently has debt under the Capital Fund Financing Program and will be working with Capital One Public Funding to address outstanding debt issues, which may result in additional reductions of capital funds.

KCDC currently has debt under an Energy Performance Contract and will be working with National City Commercial Capital Company, LLC to address outstanding debt issues, which may result in additional reductions of capital or operating funds.

Below, please find specific information related to the Public Housing Development(s) selected for RAD.

Attachment R (Part II) Summary of KCDC RAD Conversions

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Autumn Landing	TN003000031	PBRA	No	197	Family	Family	4/1/2016
Contract #	TN37RD000001	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	58	58	0		
		2	95	95	0		
		3	34	34	0		
		4	10	10	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Mechanicsville	TN003000005	PBRA	No	48	Family	Family	2/1/2017
Contract #	TN37RD000004	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	20	20			
		3	28	28			

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Valley Oaks	TN003000012	PBRA	No	48	Family	Family	2/1/2017
Contract #	TN37RD000003	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	48	48	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Five Points Senior Duplexes	TN003000009	PBRA	No	20	Elderly-Disabled	Elderly	2/1/2017
Contract #	TN37RD000005	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	20	20	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Residences at Five Points	TN003000009	PBRA/LIHTC	No	90	Family	Elderly/Disabled	8/1/2017
Contract #	TN37RD000002	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	84	84	0		
		2	6	6	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Residences at Lonsdale	TN003000005	PBRA/LIHTC	No	260	Family	Family	10/1/2017
Contract #	TN37RD000002	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	13	13	0		
		2	169	169	0		
		3	71	71	0		
		4	7	7	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
North Ridge Crossing	TN003000012	PBRA/LIHTC	No	270	Family	Family	10/1/2017
Contract #	TN37RD000009	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	16	16	0		
		2	11	11	0		
		3	126	126	0		
		4	10	10	0		
		5	7	7	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Vista at Summit Hill	TN003000025	PBRA/LIHTC	No	175	Family	Family	10/1/2017
Contract #	TN37RD000010	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	42	42	0		
		2	97	97	0		
		3	36	36	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
The Verandas	TN003000013	PBRA	No	42	Elderly-Disabled	Elderly	12/1/2017
Contract #	TN37RD000011	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	34	34	0		
		2	8	8	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Five Points Family Multiplexes	TN003000036	PBRA	No	42	Family	Elderly	12/1/2017
Contract #	TN37RD000012	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	14	14	0		
		3	3	3	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Montgomery Village	TN003000013	PBRA	No	11	Family	Family	12/1/2018
Contract #	TN37RD000016	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	108	108	0		
		2	86	86	0		
		3	109	109	0		
		4	42	42	0		
		5	35	35	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Passport Homes	TN003000022	PBRA	No	380	Family	Family	12/1/2018
Contract #	TN37RD000021	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	6	6	0		
		3	5	5	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Passport Residences	TN003000023	PBRA	No	50	Family	Family	12/1/2018
Contract #	TN37RD000021	Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		2	43	43	0		
		3	7	7	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Residences at Eastport I	TN003000009	PBRA	No	25	Elderly	Elderly	12/1/2019
		Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	25	25	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	Conversion Effective
Residences at Eastport II	TN003000035	PBRA	No	60	Elderly-Disabled	Elderly-Disabled	12/1/2019
		Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	60	60	0		

Project	PIC Development ID	Conversion Type	Transfer of Assistance	Total Units	Pre-RAD Unit Type	Post-RAD Unit Type	RAD/PBRA Application to be
Austin Homes	TN003000006	PBRA	No	129	Family	Family	2019
Complete demolition as of 12/3/19		Bedroom Type	# of Units Pre-Conversion	# of Units Post-Conversion	Change in Units per Bedroom		
		1	31	31	0		
		2	43	43	0		
		3	33	33	0		
		4	18	18	0		
		5	4	4	0		

Public Housing Agency Plan Provision for VAWA

On November 16, 2016, HUD published a Final Rule implementing the requirements established in the Violence Against Women Reauthorization Act of 2013. VAWA 2013 expanded protections to HUD programs beyond public housing and Section 8 tenant-based and project-based programs, while enhancing protections and options for victims of domestic violence, dating violence, sexual assault, and stalking. On March 15, 2022, President Biden signed into law the Consolidated Appropriations Act of 2022, which included the VAWA Reauthorization Act of 2022 (VAWA 2022). VAWA 2022, reauthorizes, amends, and strengthens VAWA by adding to and not replacing existing housing protections for survivors. As a summary, the VAWA Final Rule includes:

- Identifying sexual assault as a crime covered by VAWA.
- Establishes a definition of “affiliated individual” based on the statutory definition that is usable and workable for HUD-covered programs.
- Applying VAWA protections to all covered HUD programs as well as the Housing Trust Fund, which was not statutorily listed as a covered program.
- Ensures existing tenants, as well as new tenants, of all HUD-covered programs receive notification of their rights under VAWA and HUD’s VAWA regulations.
- Establishes reasonable time period during which a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking may establish eligibility to remain in housing, where the tenant’s household is divided due to a VAWA crime, and where the tenant was not the member of the household that previously established eligibility for assistance.
- Establishes that housing providers may, but are not required to, request certain documentation from tenants seeking emergency transfers/relocations under VAWA.
- Provides a six-month transition period beginning May 15, 2017, to complete an emergency transfer plan and provide emergency transfers, when requested, under the Plan.
- Revisions and establishing new program-specific regulations for implementing VAWA protections in a manner that is workable for each HUD-covered program.

KCDC will provide the following documents at the time of leasing for new tenants, when a Notice to Vacate/Termination of Assistance has been issued and/or when an applicant has been denied housing assistance:

- Notice of Occupancy Rights (HUD-5380),
- Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking, and Alternate Documentation form (HUD-5382), and a
- Emergency Relocation Plan
- Emergency Relocation Request
- Comprehensive listing of assistance providers within the Knoxville area.

Note: As a result of the VAWA Reauthorization Act of 2022, HUD will be updating the forms mentioned above. KCDC will immediately implement these new forms upon release.

Any current tenant will be allowed the opportunity for an emergency relocation upon requesting KCDC’s Emergency Transfer Plan along with the Emergency Relocation Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking form HUD-5383.

KCDC will actively refer victims of domestic violence, dating violence, sexual assault or stalking to the Knoxville Family Justice Center, located at 400 Harriet Tubman Street, Knoxville, TN 37915, which houses multiple agencies that provide coordinated service from one location.

The Reauthorization Act of 2022 revises definitions of “Domestic Violence” and adds the definitions of Economic Abuse and Technological Abuse. The statutory definitions are as follows:

Domestic Violence

The term ‘domestic violence’ includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person, who:

- Is a current or former spouse or intimate partner of the victim, or person similarly situated to a spouse of the victim;
- Is cohabitating, or who has cohabitated, with the victim as a spouse or intimate partner;
- Shares a child in common with the victim; or
- Commits acts against a youth or adult victim who is protected from those acts under the family or domestic violence laws of the jurisdiction.

Economic Abuse

The term “economic abuse”, in the context of domestic violence, dating violence, and abuse in later life, means behavior that is coercive, deceptive, or unreasonably controls or restrains a person’s ability to acquire, use, or maintain economic resource to which they are entitled, including using coercion, fraud, or manipulation to:

- Restrict a person’s access to money, assets, credit, or financial information;
- Unfairly use a person’s personal economic resources, including money, assets, and credit, for one’s own advantage; or
- Exert undue influence over a person’s financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or failing or neglecting to act in the best interests of a person to whom one has fiduciary duty.

Technological Abuse

The term “technological abuse” means an act or pattern of behavior that occurs within domestic violence, sexual assault, dating violence or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor, except as otherwise permitted by law, another person, that occurs using any form of technology, including but not limited to: internet enabled devices, online spaces and platforms, computers, mobile devices, cameras and imaging programs, apps, location tracking devices, or communication technologies, or any other emerging technologies.

Nonretaliation

KCDC will not discriminate against any person because that person has opposed any act or practice made unlawful by the Violence Against Women Act or because that person testified, assisted, or participated in any matter related to the Violence Against Women Act or a VAWA crime.

Noncoercion

KCDC shall not coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any rights or protections under the Violence Against Women Act including:

1. Intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under the Violence Against Women Act.
2. Retaliating against any person because that person has participated in any investigation or action to enforce the Violence Against Women Act.

Protection to Report Crimes from Home

KCDC, residents, occupants, service providers, guests and applicants:

1. Shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance; and
2. Shall not be penalized based on their requests for assistance or based on criminal activity of which they are a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by governmental entities. Prohibited penalties include:
 - a. Actual or threatened assessment of monetary or criminal penalties, fines or fees.
 - b. Actual or threatened eviction.
 - c. Actual or threatened refusal to rent or renew tenancy.
 - d. Actual or threatened refusal to issue occupancy permit or landlord permit.

Actual or threatened closure of the property, or designation of the property as a nuisance or a similarly negative designation.

Explanation for KCDC Public Housing Properties Listed on HUD's 1/26/2012 & 3/7/2012 Cluster Listing of Potential Candidates for Required Conversion

On February 14, 2012, Knoxville's Community Development Corporation (KCDC) received notification by email from Mr. Ainars Rodins, Special Application Center(SAC) Director, concerning potential required conversion candidates in KCDC's housing stock on the January 26, 2012 Conversion Candidates Report. According to Mr. Rodins, SAC staff worked with the local HUD Field Office staff to identify collections of 250 or more dwelling units that are contiguous in KCDC's housing stock. HUD calls them "Clusters." Clusters may, or may not, coincide with the building "Groupings" KCDC has been dealing with since transitioning to Asset Based Management. Using the cluster data as a starting point, and employing the information in the Public and Indian Housing Information Center (PIC) system as a filter, SAC has determined that two of KCDC's clusters need to be considered for Required Conversion because:

*The cluster contains 250, or more, units
The units are not officially designated Elderly, Handicapped or Mixed The units are not under an approved HOPE VI Revitalization Plan
The average occupancy rate over three years is less than 88%, or incomplete.*

Also, 24 CFR 972.124(b) states "the development has a vacancy rate of at least a specified percent for dwelling units not in funded, on-schedule modernization, for each of the last three years, and the vacancy rate has not significantly decreased in those three years."

Since the two KCDC properties identified by SAC on the January 26, 2012 Conversion Candidates Report as potential conversion candidates (TN003000001 and TN003000013) had either undergone modernization and/or demolition or were still undergoing modernization and/or demolition, KCDC contested the vacancy data that caused the clusters to show up on the report. With the assistance of Mr. Naitik Patel (SAC) on March 22, 2012, KCDC convinced Mr. Rodins that cluster candidate TN003C001 (TN003000001) showed up on the report because of bad data. SAC approved KCDC's demolition request for that property on March 18, 2011 and demolition was completed/units were removed from PIC inventory by December 30, 2011.

On October 14, 2010, KCDC contracted with Merit Construction, Inc. for comprehensive modernization of all units for the other cluster candidate, TN003C004 (TN003000013). Some phases of modernization have been completed. May 6, 2013 is the scheduled substantial completion date for the modernization contract. Units are being leased once the contractor turns them back over to KCDC and the vacancy rate will decrease as units are modernized. Mr. Patel checked PIC on March 22, 2012 while on the phone with KCDC staff and verified for Mr. Rodins (via email) that the vacancy rate for this cluster is high due to the HUD-approved vacant units for modernization.

To the staff's knowledge, no additional KCDC properties have been identified by HUD as potential conversion candidates since the last Conversion Candidates Report dated March 7, 2012 (according to SAC's website). In addition, after staff review of vacancy data for KCDC properties with 250 or more dwelling units that are contiguous and that are not designated housing, undergoing modernization or demolition, no properties were determined to be potential clusters.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of:

Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
RAD Transaction Managers

Notice H 2014-09
PIH 2014-17

Issued: July 14, 2014

This notice remains in effect until amended,
superseded, or rescinded.

Cross Reference: PIH Notice 2012-32 (HA)
REV 1

Subject: Relocation Requirements under the Rental Assistance Demonstration (RAD) Program, Public Housing in the First Component

1. Purpose

This Notice provides public housing agencies (PHAs)¹ and their partners with information and resources on applicable program and relocation assistance requirements when planning for or implementing resident moves as a result of a **Rental Assistance Demonstration (RAD)** conversion² under the first component of the demonstration.³ This Notice provides guidance on RAD relocation requirements and requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA), as they relate to the public housing conversion process under the first component.⁴

¹ This Notice always uses the term “PHA” to refer to the owner of the project prior to and after the RAD conversion, even though, in some cases, the owner of the converted RAD project may be another public entity, a non-profit organization, or other owner (e.g., low-income housing tax credit owner). In addition, this Notice uses “PHA” to refer to the “displacing agency,” a URA term that means the agency or person that carries out a program or project, which will cause a resident to become a displaced person. Projects vary and, for any specific task described in this Notice, may require substituting in a reference to a party that is more appropriate for a specific project.

² The content of this Notice should not be relied upon in carrying out any other activities funded under any other HUD program, except where specifically directed by HUD.

³ The “first component” of RAD allows public housing and Moderate Rehabilitation properties to convert assistance; the “second component” refers to conversion of Rent Supplement, Rental Assistance Payment, and Moderate Rehabilitation properties upon contract expiration or termination.

⁴ Relocation concerns and URA requirements apply to both components of RAD. This notice provides guidance only as to the first component.

Relocation assistance provided pursuant to public housing and RAD requirements is broader than URA relocation assistance requirements. Not all specific situations requiring relocation under RAD may trigger URA assistance requirements. In addition, whereas all qualifying residents⁵ of a converting public housing project are eligible for relocation assistance under RAD, some residents or household members may not meet the statutory and regulatory requirements for eligibility under URA. This Notice supersedes PIH Notice 2012-32 (HA), REV-1, with respect to relocation matters. This Notice also specifically addresses when relocation may begin (see Section 9 below). As necessary, the Department will issue additional guidance on relocation issues and requirements as they relate to RAD.

2. Background

RAD allows public housing properties to convert assistance to long-term project-based Section 8 contracts. In many cases, a RAD project may require relocation of residents when properties undergo repairs, are demolished and rebuilt, or when the assistance is transferred to another site. PIH Notice 2012-32 REV-1 (see also FR Notice 5630-N-05, 78 FR 39759-39763 (July 2, 2013)) details RAD program requirements.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) is a federal law that establishes minimum standards for federally-funded programs and projects that include the acquisition of real property (real estate) and/or displace persons from their homes, businesses, or farms as a result of acquisition, rehabilitation, or demolition of real property.⁶ The URA will apply to acquisitions of real property and relocation of persons from real property that occurs as a direct result of acquisition, rehabilitation, or demolition for a project that involves conversion of assistance to Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) programs under RAD.

Additionally, all relocation conducted as part of a RAD conversion and all relocation assistance provided under URA must be consistent with applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.

Because each RAD proposal varies in its scope, this Notice may not address each PHA's specific circumstances. RAD PHAs and participants should carefully review the regulations, notices, and guidance material referenced in this Notice. Any questions related to the applicability of these requirements should be referred to the RAD Transaction Managers (TM) or may be emailed to rad@hud.gov.

3. Applicable Legal Authorities

⁵ The term "resident" as used in this Notice refers to eligible resident families of public housing residing in a property applying for participation in RAD or a property that undergoes a conversion of assistance through RAD.

⁶ HUD Handbook 1378 (Tenant Assistance, Relocation, and Real Property Acquisition), available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation/policyandguidance/handbook1378.

- RAD: Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), with the implementing PIH Notice 2012-32, REV-1
- URA statute and implementing regulations: 49 CFR part 24
- FHEO: Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Fair Housing Act
- Section 104(d) of the Housing and Community Development Act of 1974, statute and implementing regulations (if CDBG and/or HOME funds are used): 24 CFR part 42, subpart C

4. Relocation Planning

If there is a possibility that residents will be relocated as a result of acquisition, demolition, or rehabilitation for a project converting under RAD, PHAs must undertake a planning process in conformance with URA in order to minimize the adverse impact of relocation (49 CFR 24.205(a)).

While a written Relocation Plan is not a requirement under RAD or URA, the Department strongly encourages PHAs to prepare a written Relocation Plan, both to establish their relocation process and to communicate this process consistently and effectively to all relevant stakeholders. Appendix 1 contains recommended elements of a Relocation Plan.

The following presents a general sequencing of relocation planning activities within the RAD milestones:

Stage	Activities
1. Prior to submission of RAD application	<ul style="list-style-type: none"> • Determine potential need for relocation • Meet with residents to discuss plans, communicate right to return, and solicit feedback • Provide <i>General Information Notice</i> (GIN) to residents • Survey residents to prepare Relocation Plan and relocation process cost estimate
2. After receipt of the Commitment to Enter into a HAP Contract (CHAP) Award	<ul style="list-style-type: none"> • Prepare Significant Amendment to PHA Plan • Assess and refine need for relocation • Develop a Relocation Plan (See Appendix 1 for recommended content) • Identify relocation housing options
3. Preparing Financing Plan (due to RAD Transaction Manager no later than 180 days following	<ul style="list-style-type: none"> • Budget for relocation expenses • Submit FHEO Accessibility & Relocation checklist (PHAs may submit Relocation Plan along with checklist)

Stage	Activities
CHAP award)	
4. Receipt of RAD Conversion Commitment (RCC)	<ul style="list-style-type: none"> • The date of issuance of the HUD RCC marks the date of “Initiation of Negotiations” (ION), as defined in the URA (49 CFR 24.2(a)(15)) • Provide residents with appropriate notice informing them if they will be relocated and any associated relocation assistance • Meet with residents to describe approved conversion plans and discuss required relocation
5. Closing/RAD conversion	<ul style="list-style-type: none"> • Generally, resident relocation should not begin until after the date of closing/conversion of assistance under RAD • PHAs must adhere to notification requirements (described in Paragraph 8 of this Notice): generally, a minimum of 30 days for residents to be temporarily relocated for up to a year, and 90 days for permanent relocation • PHAs seeking to move residents prior to closing must receive prior approval from HUD as described in Paragraph 9 of this Notice

5. Resident Right to Return

RAD program rules prohibit the permanent involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed and is in decent, safe, and sanitary conditions.⁷ The period during which residents may need to be temporarily relocated is determined by the period of rehabilitation or construction, which will be specific to each project.

If proposed plans for a project would preclude a resident from returning to the RAD project, the resident must be given an opportunity to comment and/or object to such plans. If the resident objects to such plans, the PHA must alter the project plans to accommodate the resident in the converted project. If a resident agrees to such plans, the PHA must secure informed, written consent from the resident to receive permanent relocation assistance and payments consistent with URA and acknowledge that acceptance of such assistance terminates the resident’s right to return to the project. In obtaining this consent, PHAs must inform residents of their right to return, potential relocation, and temporary and permanent housing options at least 30 days before residents must make a decision. The PHA cannot employ any tactics to pressure residents into

⁷ Where the transfer of assistance to a new site is approved, residents of the converting project will have the right to reside in an assisted unit at the new site once rehabilitation or new construction is complete.

relinquishing their right to return or accepting permanent relocation assistance and payments.⁸ A PHA may not terminate a resident's lease if it fails to obtain this consent.

PHAs must keep documentation of such information provided to residents and such consent by residents. While HUD does not require PHAs to submit documentation of obtaining this consent, PHAs and participants must properly brief residents on their housing and relocation options and must keep auditable written records of such consultation and decisions. HUD may request this documentation during a review of the FHEO Relocation and Accessibility Checklist or if relocation concerns arise.

Examples of project plans that may preclude a resident from returning to the converted RAD project include, but are not limited to:

- Changes in bedroom distribution (i.e. when larger units will be replaced with smaller units such that current residents would become under-housed or when smaller units will be replaced with larger units such that current residents would become over-housed);
- Where a PHA is reducing the number of assisted units at a property by a de minimis amount⁹, but those units are occupied by assisted residents; or
- The reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery.

In all scenarios where residents voluntarily accept permanent relocation to accommodate project plans, these residents are eligible for permanent relocation assistance and payments under URA. If a resident accepts permanent relocation assistance, the resident surrenders his or her right to return to the completed project.

6. Relocation Assistance

Under RAD, relocation assistance may vary depending on the length of time relocation is required.¹⁰

- a. In instances when the PHA anticipates that a resident will be relocated for more than a year, the PHA must offer the resident the choice of:
 - Permanent relocation assistance and payments at URA levels; or
 - Temporary relocation assistance, including temporary housing, while the resident retains his or her right to return and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation.

⁸ Persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their accessibility needs must be accommodated.

⁹ A reduction in total number of assisted units at RAD project of 5% or less. (Section 1.5.B of PIH 2012-32 REV-1)

¹⁰ Some residents may not qualify for relocation assistance under URA. A nonexclusive listing of persons who do not qualify as displaced persons under URA is at 49 CFR 24.2(a)(9)(ii). See also, Paragraph 1-4(J) of HUD Handbook 1378.

The PHA must give the resident no less than 30 days to decide between permanent and temporary relocation assistance. If the resident elects to permanently relocate with assistance at URA levels, the PHA must inform the resident that his or her acceptance of permanent relocation assistance terminates the resident's right to return to the completed RAD project.

- b. In instances when a resident elects temporary relocation assistance and reoccupies a unit in the completed project within one year, the resident need not be offered permanent relocation assistance pursuant to URA.

Great care must be exercised to ensure that residents are treated fairly and equitably. If a resident is required to relocate temporarily in connection with the project, his or her temporarily occupied housing must be decent, safe, and sanitary and the resident must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation. These expenses include, but are not limited to, moving expenses and increased housing costs during the temporary relocation.

- c. In the event that a resident elects to receive temporary relocation assistance and the temporary relocation exceeds one year, the resident becomes eligible for all permanent relocation assistance and payments under URA. (This assistance would be in addition to any assistance the person has already received for temporary relocation, and may not be reduced by the amount of any temporary relocation assistance.) In such event, the PHA shall give the resident the opportunity to choose to remain temporarily relocated for an agreed-to period (based on new information about when they can return to the completed RAD unit), or choose to permanently relocate with URA assistance.

PHAs may not propose or request that a displaced person waive rights or entitlements to relocation assistance under the URA. If the resident elects to permanently relocate with URA assistance, the PHA must inform the person that the person's acceptance of URA relocation assistance to permanently relocate will terminate the person's right to return to the completed RAD project. Conversely, unless and until the resident elects to be permanently relocated, the resident may remain temporarily relocated with a right to return to the completed project.

7. Initiation of Negotiations (ION) Date

Eligibility for URA relocation assistance is generally effective on the date of initiation of negotiations (ION) (49 CFR 24.2(a)(15)). For RAD projects, the ION date is the date of the issuance of the RAD Conversion Commitment (RCC).

8. Resident Notification

When a project converting under RAD will include relocation of residents, notice must be provided to those resident households. For each notice listed below, one notice shall be given to each resident household. The purpose of these notifications is to ensure that residents are

informed of their potential rights and the relocation assistance available to them. During initial meetings with residents about RAD and in subsequent communications with residents related to relocation, the PHA should inform residents that if they choose to move after receiving a written GIN, but prior to receiving a RAD Notice of Relocation, they may jeopardize their eligibility for relocation assistance. However, PHAs should note that a resident move undertaken as a direct result of the project may still require relocation assistance and the resident may be eligible to receive permanent relocation assistance under the URA even though the PHA has not yet issued notices.

a. *General Information Notice* (49 CFR 24.203(a) & Handbook 1378, Paragraph 2-3(B))

As soon as feasible in the planning process, the PHA must provide each resident with a written GIN (see sample in Appendix 2) to provide a general description of the project, the activities planned, and the relocation assistance that may become available. URA regulations state that the GIN should be provided *as soon as feasible*. Under RAD, PHAs must provide GINs during the initial RAD resident meetings, before submitting a RAD application. GINs must do at least the following:

- Inform the resident that he or she may be displaced for the project and generally describe the relocation payment(s) for which the resident may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
- Inform the resident that he or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the resident successfully relocate;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will not be required to move without at least 90 days advance written notice, and inform any person to be displaced from a dwelling that he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available;
- Inform the resident that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child (see 49 CFR 24.208(h) for additional information); and
- Describe the resident's right to appeal the PHA's determination as to a person's eligibility for URA assistance.

b. *RAD Notice of Relocation*

If a resident will be relocated to facilitate the RAD conversion, the PHA shall provide notice of such relocation (RAD Notice of Relocation). The PHA shall issue this notice upon the PHA's receipt of the RCC from HUD, which is the ION date.

If residents will not be relocated, notice of relocation is not required, but the PHA should

notify them that they are not being relocated.¹¹

The RAD Notice of Relocation must conform to the following requirements:

- The notice must state the anticipated duration of the resident's relocation.
- PHAs must provide this notice a minimum of 30 days prior to relocation to residents who will be temporarily relocated.¹² Longer notice may be appropriate for persons who will be relocated for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.
- Residents whose temporary relocation is anticipated to exceed one year must be informed that they will have no less than 30 days to elect temporary or permanent relocation as described in Section 6 of this Notice. When timing is critical for project completion, the 30-day decision period can run concurrently with the 30-day notice period for temporary relocation and with the 90-day period for permanent relocation if the PHA makes available comparable replacement dwellings consistent with 24.204(a).
- Residents who will be permanently relocated must receive written notice a minimum of 90 days prior to relocation. This 90-day time period may only begin once the PHA has made available at least one comparable replacement dwelling consistent with 49 CFR 24.204(a).¹³
- The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.
- The notice must explain the reasonable terms and conditions under which the resident may continue to lease and occupy a unit in the completed project.
- The notice must state that the PHA will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move. These expenses include, but are not limited to, moving expenses and increased housing costs (rent, utilities, etc.).

c. *Notice of Intent to Acquire* (49 CFR 24.203(d))

¹¹ HUD policy generally requires a "notice of non-displacement" in certain instances; the RAD program does not require this notice. Although the scope of this notice is limited to guidance for projects requiring relocation, PHAs should note, however, that there may be notification requirements for projects that do not involve relocation. The RAD conversion will terminate the resident's public housing lease and commence a PBV or PBRA lease, even when there is no relocation required. In such instances, state law may impose certain notification requirements. In addition, public housing regulations generally require 30 days' notice prior to lease termination. PHAs are encouraged to review public housing requirements set forth in 24 CFR parts 5 and 966.

¹² HUD may approve shorter notice periods based on an urgent need due to danger, health, or safety issues or if the person will be temporarily relocated for only a short period.

¹³ PHAs should note that URA regulations also require, where possible, that three or more comparable replacement dwellings be made available before a resident is required to move from his or her unit.

For RAD projects involving acquisition, residents may be provided with a notice of intent to acquire (“*Notice of Intent to Acquire*”) prior to the ION date with HUD’s prior approval. Once the Notice of Intent to Acquire is provided, a resident’s eligibility for relocation assistance and payments is established. Therefore, the RAD Notice of Relocation must be provided in conjunction with or after the Notice of Intent to Acquire. A RAD Notice of Relocation would not otherwise be sent prior to the ION date.

Since residents who accept permanent relocation must receive 90 days advanced written notice prior to being required to move, providing residents the Notice of Intent to Acquire and RAD Notice of Relocation prior to the ION date may be necessary to provide sufficient notice of relocation to a resident in instances where there may not be 90 days between the issuance of the RCC (ION date) and the anticipated closing date. This allows the PHA to issue the notice earlier so that relocation may begin upon closing. This allows program participants to conduct orderly relocation upon closing, minimize adverse impacts on displaced persons, and to expedite project advancement and completion.¹⁴

- d. *URA Notice of Relocation Eligibility – for residents whose temporary relocation exceeds one year* (49 CFR 24.203(b) & Handbook 1378, Paragraph 2-3(C))

After a resident has been temporarily relocated for one year, the PHA must provide a notice of relocation eligibility in accordance with URA requirements (“*Notice of Relocation Eligibility*”). This notice is not required if the resident has already accepted permanent relocation assistance.

The Notice of Relocation Eligibility must conform to URA requirements as set forth in 49 CFR Part 24, to HUD Handbook 1378 and to the following requirements:

- The PHA must provide updated information as to when it is anticipated that the resident will be able to return to the completed project.
- The resident may choose to remain temporarily relocated based upon such updated information or may choose to accept permanent URA relocation assistance in lieu of exercising the right to return.
- If the resident chooses to accept permanent URA relocation assistance and such assistance requires that the resident move, the URA requires such resident to receive 90 days advance written notice of the earliest date they will be required to move (i.e., 90-Day Notice, 49 CFR 24.203(c)). The PHA should be mindful that the 90-day time period may only begin once the PHA has made available at least one “comparable replacement dwellings” as set forth in 49 CFR 24.204(a).

9. Initiation of Relocation

¹⁴ PHAs and program participants should note that, in most instances, it will be most appropriate for the acquiring entity to send this notice.

Unless otherwise approved by HUD, relocation may not begin until the date of closing of the RAD transaction and recordation of the RAD Use Agreement. PHAs must provide residents being temporarily relocated at least 30 days advance written notice of the required move. PHAs must give residents being permanently relocated at least 90 days advance written notice of the required move. This means PHAs are advised to plan carefully to account for this 30-day or 90-day notice period to ensure the closing is not delayed.

However, HUD is aware that, in rare cases, some project plans necessitate relocation prior to closing. With prior HUD approval, for projects involving acquisition, PHAs may relocate residents prior to the closing date subject to public housing requirements (see 24 CFR part 5 and 24 CFR 966). PHAs must contact their assigned RAD transaction manager (TM) to discuss plans as early as possible in the process to ensure compliance with all RAD and URA requirements.

If relocation prior to closing is desired, PHAs should submit to the TM the following information, as early as possible in the process:

- A written request for relocation prior to closing. The request must include justification of why the early relocation is necessary for the viability of the RAD transaction. Justification may include the presence of outside financing, such as Low Income Housing Tax Credit (LIHTC) awards, if the PHA can show that early relocation is necessary to meet critical LIHTC deadlines.
- FHEO Accessibility and Relocation Checklist.
- Evidence of intent to comply with public housing requirements, as applicable. Generally, public housing regulations require public housing residents to receive 30 days' notice prior to relocation and that such notice either be published in the PHA's admissions and continued occupancy policies (ACOP) or published elsewhere at least 30 days prior to receipt of such notice (24 CFR parts 5 and 966).

When seeking to relocate residents prior to closing, submission of this request as early as possible is preferred, prior to the 180-day Financing Plan milestone if possible (with Financing Plan submission following the request).

HUD reserves the right to request additional follow-up information, including a Relocation Plan and related budget, prior to approving such requests. PHAs must receive written HUD approval before beginning relocation of residents prior to closing.

Early planning and submission of the Financing Plan and FHEO checklist to HUD will ensure the PHA has built in the 30- or 90-day notice period prior to initiating relocation.

10. Fair Housing and Civil Rights Requirements

PHAs must comply with all applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. Further, communication must be provided in a manner that is effective for persons

with disabilities (24 CFR 8.6) and for person who are Limited English Proficient (see 72 FR 2732). This section discusses some of the PHA's obligations under these laws and regulations. However, the applicability of civil rights laws is not limited to the activities discussed in this section. PHAs conducting relocation activities should familiarize themselves with applicable civil rights statutes, regulations, and guidance, including but not limited to, those listed at the end of this section.

- **Effective Communication for Persons with Disabilities:** Communications and materials must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 CFR 8.6), and as applicable, the Americans with Disabilities Act; and for persons who are limited English proficient (*see* 72 Fed Reg 2732). This includes ensuring that training materials are in appropriate alternative formats as needed, e.g., Braille, audio, large type, assistive listening devices, and sign language interpreters.
- **Accessible Meeting Facilities for Persons with Disabilities:** When holding public meetings, PHAs must give priority to methods that provide physical access to individuals with disabilities, i.e., holding the meetings, workshops, and briefings or any other type of meeting in an accessible location, in accordance with the regulations implementing Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990, as applicable. All programs and activities must be held in accessible locations unless doing so would result in an undue financial and administrative burden, in which case the PHA must take any action that would not result in such an alteration or such burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., briefings at an alternate accessible, in-home briefing. Individuals with disabilities must receive services in the most integrated setting appropriate to their needs. The most integrated setting appropriate to the needs of qualified individuals with disabilities is a setting that enables individuals with disabilities to interact with nondisabled person to the fullest extent possible (28 CFR part 35, appendix B).
- **Meaningful Access for Persons with Limited English Proficiency (LEP):** PHAs must provide meaningful access to programs and activities for persons who have a limited ability to read, speak, or understand English. Any person with LEP who will be temporarily relocated or permanently displaced must have meaningful access to any public meetings regarding the project. In addition, any information provided to residents including, but not limited to, any notices required under the URA, should be provided in the appropriate language to persons with LEP. Generally, PHAs will be responsible for providing oral interpreters at meetings, including ensuring their competence, and covering any associated translation and interpretation costs.
- URA requires that PHAs provide persons who are unable to read or understand the notices, such as persons with disabilities or persons with LEP, with appropriate translation and counseling to ensure that they understand their rights and responsibilities and the assistance available to them (49 CFR 24.5). URA also requires that each notice indicate the name and telephone number of a person to contact with questions or for other

needed help (49 CFR 24.5). This notice should include the number for the telecommunication device for the deaf (TDD) or other appropriate communication device, if applicable (24 CFR 8.6(a)(2)).

- **Comparable Housing for Persons with Disabilities:** PHAs should identify the accessibility needs of residents to be relocated by consulting existing information (e.g., tenant characteristics forms, including identification of the need for accessible unit features; records of approved reasonable accommodations, and records of the presence of accessible unit features). For guidance on providing relocation assistance to persons with disabilities, see Exhibit 3-1 in HUD Handbook 1378.
- **Advisory Services:** PHAs should determine the advisory services that will be necessary to ensure a successful relocation program consistent with 49 CFR 24.205(c). Such advisory services may include housing counseling that should be facilitated to ensure that residents affected by the project understand their rights and responsibilities and the assistance available to them (49 CFR 24.205(c)). Advisory counseling must also inform residents of their fair housing rights and be carried out in a manner that satisfies the requirements of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Executive Order 11063 (49 CFR 24.205(c)(1)). In addition, PHAs should inform residents that if they believe they have experienced unlawful discrimination, they may contact HUD at 1-800-669-9777 (Voice) or 1-800-927-9275 (TDD) or at <http://www.hud.gov>.

Fair Housing References:

- Section 504 of the Rehabilitation Act of 1973
 - Regulations: 24 CFR part 8
 - Fair Housing Act Regulations: 24 CFR part 100
 - Title VI of the Civil Rights Act of 1964
 - Regulations: 24 CFR part 1
 - Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) (72 FR 2732)
 - Exhibit 3-1 Compliance with Section 504 of the Rehabilitation Act in HUD Handbook 1378 (Tenant Assistance Relocation and Real Property Acquisition)
-

11. Other Requirements

a. Public Housing Program Compliance

PHAs should note that public housing resident provisions related to occupancy and termination, including grievances and related hearings, will remain in effect until the execution of the new PBV or PBRA Housing Assistance Payment (HAP) contract.

b. Evictions for Cause

If the PHA determines that a resident was evicted in accordance with applicable state and local law for serious or repeated violation of material terms of the lease, and the eviction was not undertaken for the purpose of evading the obligation to make available URA payments and other assistance, the resident is not entitled to relocation payments and assistance under the URA (49 CFR 24.206).

Jemine A. Bryon
General Deputy Assistant Secretary for
Public and Indian Housing

Carol J. Galante, Assistant Secretary for
Housing-Federal Housing Commissioner

APPENDICES

Appendix 1

Recommended Relocation Plan Contents

Appendix 2

Sample RAD General Information Notice (GIN)

Appendix 3

Sample RAD Notice of Relocation (for relocation anticipated for a year or less)

Appendix 4

Sample RAD Notice of Relocation (for relocation anticipated for more than a year)

Appendix 5

Sample Notice of Eligibility for URA Relocation Assistance (for residents who have been temporarily relocated for more than a year)

Appendix 1: RECOMMENDED RELOCATION PLAN CONTENTS

While written Relocation Plans are not required under RAD or URA, the Department strongly encourages PHAs to document their relocation planning process and procedures in a written Relocation Plan. The following provides suggested content for Relocation Plans.

I. Project Summary

The Relocation Plan should provide a general description of and purpose for the project (e.g., year built, location, number of units, configuration, occupancy information, and funding sources).

The basic components of a plan include:

- A general description of the project and the site, including acquisition, demolition, rehabilitation, and construction activities and funding sources;
- A detailed discussion of the specific steps to be taken to minimize the adverse impacts of relocation, including when transferring the assistance to a new site;
- Information on occupancy (including the number of residents, residential owner-occupants and non-residential occupants, if any, to be permanently or temporarily relocated);
- Information on relocation needs and costs (including the number of residents who plan to relocate with Section 8 assistance);
- General moving assistance information;
- Temporary move assistance (including information on the duration of temporary moves);
- Permanent move assistance; and
- Appeals process.

II. Resident Return and Re-occupancy Policies

For residents that will be temporarily relocated, the plan should include the criteria that will be used to determine the priority for residents to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed. For example, if units will come online in stages, the plan should outline how the PHA will determine when each resident will return to the project. PHAs should ensure that any written return or re-occupancy policy is compliant with related RAD requirements, such as the right-to-return policy and the “no re-screening upon conversion” policy, as described in the RAD Notice.

III. Summary of Moving Costs

The plan should include a summary of moving costs, identified by move types, including the following:

Temporary Moves

- Number of and cost amount for two-way moves (i.e., a move to another unit and then a return move) within the same building/complex.
- Number of and cost amount for two-way moves to a unit not in the same building/complex, carried out by the PHA.
- Number of and cost amount for two-way moves to a unit not in the same building/complex not carried out by the PHA.

Permanent Moves

- Number of and cost amount for one-time moves into another unit in the same building/complex.¹⁵
- Number of and cost amount for one permanent move to a unit not within the same building/complex, carried out by the PHA.
PHAs should note that if a residential move is carried out by the PHA at no cost to the resident, this per-household estimate must include the required dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the most current dislocation allowance:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm
- Number of and cost amount for one permanent move to a unit not within the same building/complex that is not carried out by the PHA.

IV. Temporary Relocation Assistance

The PHA will assist residents who are required to move temporarily. At the Initiation of Negotiations (ION), the PHA will send a RAD Notice of Relocation to residents who will be relocated. Appendices 3 and 4 of this Notice contain sample RAD Notices of Relocation to be provided to residents that will be temporarily relocated.

The plan should detail the temporary relocation assistance the PHA will provide for residents (Paragraph 2-7 of HUD Handbook 1378). This assistance includes:

- Temporary Housing - The PHA will provide temporary housing that is decent, safe, and sanitary on a nondiscriminatory basis for residents who are relocated temporarily. The PHA will also pay for reasonable increased housing costs that the resident incurs in connection with the temporary relocation.

NOTE: If a resident's relocation exceeds one year, the PHA must then issue a *Notice of Relocation Eligibility* (49 CFR 24.203(b)) to the resident and offer the resident permanent

¹⁵ A resident who moved to another unit in the same building/complex may be considered a displaced person under URA if the resident moves from the building/complex permanently and was not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move within the same building/complex and/or if other conditions of the move within the building/complex were not reasonable.

relocation assistance and payments at URA levels. The PHA must provide this notice to affected residents as soon as the temporary relocation exceeds one year.

- Packing and Moving Assistance - Since most residents prefer to pack their own personal possessions and items of value, they should be provided packing instructions, boxes, markers, and tape for the move. If assistance in packing is needed, the PHA should provide the resident with information on how to request this assistance. The PHA is responsible for covering all reasonable moving expenses incurred in connection with temporarily relocating a resident. The PHA may reimburse the resident's out-of-pocket moving expenses and/or directly carry out the move.
- Payment for Temporary Relocation Moving Expenses - The plan should also indicate how the PHA intends to provide or reimburse for moving services and expenses. The PHA can choose to do one or more of the following:
 - Undertake the moves itself, using force account labor or a moving company;
 - Use PHA's contractor or moving company;
 - Carry out moves with employees of the PHA;
 - Reimburse residents for all actual and reasonable moving costs.

NOTE: The PHA will not make fixed payments since such payments may not be representative of actual reasonable costs incurred. However, in order for a resident to be sure of full reimbursement, the resident should submit a moving cost estimate to the PHA for approval prior to the move unless the PHA is directly carrying out the move and the resident will not incur any reasonable out-of-pocket moving expenses. Failure to do so may result in the resident not being fully reimbursed.

- Utility Costs - The PHA is responsible for covering the expenses relating to disconnection and reconnection of necessary utilities. If the resident has telephone, cable service or Internet access, the PHA is responsible for covering the expenses involved in transferring existing service. The PHA may also pay utility deposits, if required at the temporary relocation housing (HUD Handbook 1378, paragraph 2-7(A)(3)). If a resident is temporarily relocating from a public housing unit to a non-public housing unit, the resident must be reimbursed for reasonable increases in utility costs even if the PHA utility allowance is lower than the actual costs to the resident.

V. Permanent Relocation Assistance

Based on the local housing resources available, the PHA should identify the replacement housing options that will be available to meet the housing needs of residents to be permanently relocated. Replacement housing options for residents that meet the definition of a "displaced person" (49 CFR 24.2(a)(9)) under the URA include, but are not limited to:

- Other Public Housing;
- Section 8 Project-Based Voucher unit;
- Section 8 Housing Choice Voucher unit;
- Homeownership housing;

- Private-market rental housing (affordable, non-subsidized).¹⁶

The plan should describe each type of replacement housing projected to be available, including:

1. Number of units, by bedroom size, expected to be available, and discussion of whether available units will meet dwelling requirements of relocated residents;
2. General area or location of unit(s);
3. Criteria for receiving relocation assistance; and
4. Any other information that might benefit residents in their consideration of housing choices.

The plan should include a description of the permanent relocation assistance the PHA will provide to residents. This assistance includes:

- Availability of Comparable Replacement Housing – Under URA, no displaced resident will be required to move unless at least one comparable replacement dwelling (49 CFR 24.2(a)(6)) is made available at least 90 days before the required move (49 CFR 24.203(c)). Comparable replacement dwellings must contain the accessibility features needed by displaced persons with disabilities (49 CFR 24.2(a)(8)(vii); 49 CFR part 24, Appendix A, §24.2(a)(8)(vii)). If the comparable replacement dwelling is not subsidized housing, the PHA should contact the RAD staff for advice on replacement housing payment requirements.
- Referral to Housing Not Located in an Area of Minority Concentration - Whenever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings that are within their financial means and not located in areas of minority concentration (49 CFR 24.205(c)(2)(ii)(D)). However, this policy does not require a PHA to provide a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling unit.
- Permanent Relocation Moving Expenses from Public Housing to Public Housing - The PHA may choose one of the following options for covering the expenses involved in moving public housing residents that are relocated into other public housing:
 - Undertake the move itself, using force account labor or a moving company. Residents should incur no moving costs under this option, but if such expenses are incurred, the PHA is responsible for reimbursing the resident for any such actual and reasonable expenses. In such case, the resident is also entitled to a dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the current dislocation allowance and is available at:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm

¹⁶ Every effort should be made to find another subsidized unit as replacement housing for a resident relocating from subsidized housing so that the resident will continue receiving the housing subsidy as long as it is needed.

NOTE: Residents who prefer to pack their own personal possessions and items of value may be provided packing instructions, boxes, markers, and tape for their move. If a resident needs assistance in packing, they should contact the PHA. It is the responsibility of the PHA to pack and move all of their belongings and household goods, if so desired.

- Allow the resident to elect one of the following choices:
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable and necessary moving and related expenses (49 CFR 24.301), such as:
 - Transportation of the resident and personal property. This may include reimbursement at the current mileage rate for personally owned vehicles that need to be moved. Transportation costs for a distance beyond 50 miles are not eligible, unless the PHA determines that relocation beyond 50 miles is justified.
 - Packing, crating, uncrating, and unpacking of personal property.
 - Storage of personal property for a period not to exceed 12 months, unless the PHA determines that a longer period is necessary.
 - Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
 - Insurance for the replacement value of the property in connection with the move and necessary storage.
 - The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49 CFR 24.302), available at:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm
- Permanent Relocation Moving Expenses for All Other Moves – Under URA, residents who are permanently displaced, except for those residents displaced from public housing and moving to other public housing, are entitled to the assistance described in the brochure *Relocation Assistance To Residents Displaced From Their Homes*, available in English at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16280.doc and in Spanish at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16281.doc. Residents may choose moving assistance from one of the following two options.
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable moving and related expenses (49 CFR 24.301).
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49

CFR 24.302), available at:

http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm.

- Replacement Housing Payment - In addition to covering moving expenses, displaced residents may be entitled to a replacement housing payment (RHP). This payment is intended to cover the increase, if any, in monthly housing costs for a 42-month period.

When calculating the RHP, the PHA must consider the comparable replacement housing unit offered to the resident. Since the PHA is not required to pay an RHP amount that exceeds the amount of RHP calculated for the offered comparable replacement dwelling, residents are cautioned to work closely with the PHA prior to their move.

- Accessible Housing for Persons with Disabilities - Under the URA, persons with disabilities who will be permanently displaced must be relocated to a replacement dwelling that contains the accessibility features they need (49 CFR 24.2(a)(8)(vii); 49 CFR Appendix A, 24.2(a)(8)(vii)). A person with disabilities who has been relocated must be offered a comparable replacement dwelling unit that contains accessible features comparable to the housing from which the tenant has been displaced or relocated. This is so even if the tenant has paid for the acquisition and/or installation of accessible features in the housing from which he or she has been relocated; in such instances, the recipient must ensure that the replacement housing contains comparable accessible features or provide relocation assistance to the tenant in an amount that covers the cost of acquiring and/or installing comparable accessible features. Under the URA, an agency may use project funds to remove architectural barriers for displaced owners and tenants with disabilities or take other last resort housing measures if comparable replacement dwelling units are not available within the monetary limits prescribed under the URA regulations (49 CFR 24.404(c)(vii); HUD Handbook 1378, Paragraph 3-8).

VI. Relocation Budget

Based on the results of the planning process, the PHA should create a relocation budget that includes the following six components:

- 1) The cost of administering the plan and providing assistance and counseling.
- 2) Reasonable moving expenses for a person with disabilities, which may include the cost of moving assistive equipment that is the personal property of the residents, the furnishings and personal belonging of a live-in aide, and/or other reasonable accommodations (HUD Handbook 1378, Paragraph 3-2).
- 3) The cost of the physical move of the residents' belongings. (It is suggested that the move costs be broken down by average cost per move type multiplied by the number of moves.)

NOTE: This physical move cost total should be based on the move scenarios anticipated

or projected by the resident survey.

- 4) The cost estimated to pay for projected increases in monthly housing costs for temporary relocation.
- 5) The cost estimated to pay for the replacement housing payment (RHP) (42-month period for URA or 60-month period if section 104(d) applies).
- 6) Contingency costs estimated for carrying out the relocation process necessary to complete the proposed project. (The PHA should state where these costs are indicated in the application, or attach any other information required by HUD, to support these costs.)

VII. Appeal Process

If a resident disagrees with the PHA's decision as to the resident's eligibility to receive relocation assistance, the amount of a relocation payment, or the adequacy of a comparable replacement dwelling offered to a resident, the resident may file a written appeal to the PHA. The Relocation Plan should describe the specific appeal procedures to be followed consistent with 49 CFR 24.10 (and 24 CFR 42.390 if section 104(d) is involved). At a minimum, the resident will have 60 days to file an appeal with the PHA after receiving written notification of a claim or ineligibility determination.

VIII. Certification

The plan should contain a certification of compliance with the URA and, if applicable, section 104(d).

Technical Assistance

The PHA should direct questions on this Notice's relocation assistance requirements to their RAD Transaction Manager or email rad@hud.gov.

Appendix 2: SAMPLE RAD GENERAL INFORMATION NOTICE (GIN)

PHA LETTERHEAD

RENTAL ASSISTANCE DEMONSTRATION (RAD) GENERAL INFORMATION NOTICE (GIN)

[Date]

Dear [Resident Name],

The property you currently occupy is being proposed for participation in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. At this time, we expect that [the proposed acquisition, rehabilitation or demolition, may require you to be relocated (temporarily or permanently) from your unit]. We will provide further details to you as plans develop. **This notice does not mean that you need to leave the property at this time. This is not a notice of eligibility for relocation assistance.** The remainder of this letter only applies to situations where you will need to be relocated from your unit.

This notice serves to inform you of your potential rights under the RAD program and a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). If the proposed RAD project receives HUD approval and if you are displaced permanently as a result, you may become eligible for relocation assistance and payments under the URA, including:

- 1) Relocation advisory services that include referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate;
- 2) At least 90 days' advance written notice of the date you will be required to move;
- 3) Payment for moving expenses; and
- 4) Payments to enable you to rent a similar replacement home.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an immigrant lawfully present in the United States.

As a resident of a property participating in RAD, you have the right to return to the project after the project is complete. You will be able to lease and occupy a unit in the converted project when rehabilitation is complete.

If you are permanently displaced from your home, you will not be required to move until you are given at least 90-day advance written notice of any required move and at least one comparable replacement dwelling has been made available to you. If you are temporarily relocated and your temporary relocation lasts more than one year, you will be contacted and offered permanent relocation assistance as a displaced person under the URA. This assistance would be in addition

to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance you have already received.

If you are required to relocate from the property in the future, you will be informed in writing. [PHA] will inform you of what assistance and payments you are eligible for if you will be relocated because of RAD and how you will receive these payments. If you become a displaced person, you will be provided reasonable assistance necessary to complete and file any required claim to receive a relocation payment. If you feel that your eligibility for assistance is not properly considered, you will also have the right to appeal a determination on your eligibility for relocation assistance.

You should continue to pay your rent and meet any other requirements specified in your lease. If you fail to do so, [PHA] may have cause for your eviction. If you choose to move, or if you are evicted, prior to receiving a formal notice of relocation eligibility, you may become ineligible to receive relocation assistance. It is very important for you to contact us before making any moving plans.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact: [Name, Title, Address, Phone, Email Address]. This letter is important to you and should be retained.

Sincerely,

[Name]

[Title]

NOTES:

1. Files must indicate how this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378)
2. This is a sample GIN. PHAs should revise it to reflect project-specific circumstances.
3. PHAs may provide residents with HUD brochure "Relocation Assistance To Residents Displaced From Their Homes" available at:
<http://www.hud.gov/offices/cpd/library/relocation/publications/1042.pdf>.

Appendix 3: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for a year or less)

***THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear [*Resident Name*],

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On [*date*], the [*Public Housing Authority*] (PHA) notified you of proposed plans to [acquire/ rehabilitate/demolish] the property you currently occupy at [*address*]. On [*date*], HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. [*In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property] (Displacing Agency) intends to acquire the property you currently occupy. This is a Notice of Intent to Acquire.*]

In order for PHA to complete the project, you will need to be relocated for [*anticipated duration of relocation*]. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation payments and assistance.

However, **you do not need to move now**. This notice informs you that a decent, safe, and sanitary dwelling unit, listed below, has been made available to you and you will be required to move by [*insert date at least 30 days after the date of this notice*].

If your temporary relocation exceeds one year and you qualify as a "displaced person" under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may be eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

The relocation assistance to which you are entitled includes:

- **Payment for Moving Expenses**. You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary

move. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.]*

- The location of your temporary replacement unit is *[address]*. This temporary housing has been determined to be decent, safe and sanitary.
- *[List appropriate relocation advisory services and any other services and assistance provided.]*

If you disagree with this determination, you may file a written appeal to the PHA in accordance with 49 CFR 24.10.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact *[Name, Title, Address, Phone, Email Address]* before you make any moving plans. He/she will assist you with your move to a temporary unit and help ensure that you preserve your eligibility for any relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

Appendix 4: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for more than a year)

***THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear [*Resident Name*],

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On [*date*], the [*Public Housing Authority*] (PHA), notified you of proposed plans to [acquire/ rehabilitate/demolish] the property you currently occupy at [*address*]. On [*date*], HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. [*In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property] (Displacing Agency) intends to acquire the property you currently occupy. This is a Notice of Intent to Acquire.*]

In order for PHA to complete the project, you will need to be relocated for [*anticipated duration of relocation*]. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation assistance and payments. Because we expect your relocation to exceed one year, you have the choice to either:

- Receive temporary relocation assistance and return to a unit in the RAD project once it is complete; or
- Receive permanent relocation assistance and payments consistent with the URA instead of returning to the completed RAD project.

You must inform us of your choice within 30 days.

However, **you do not need to move now.** If you choose temporary relocation assistance, you will not be required to move sooner than 30 days after you receive notice that a temporary unit is available for you. If you choose permanent relocation assistance, you will not be required to move sooner than 90 days after you receive written notice that at least one comparable replacement unit is available to you in accordance with 49 CFR 24.204(a). [*Note to PHA: These time periods may start running as of the date of this Notice if the notice of relocation includes such information on the temporary and/or comparable replacement dwelling options, as applicable. In such circumstance, add applicable sentences to adequately notify the resident. For example: This notice informs you that a temporary unit, listed below, has been made available to you and, if you choose this option, you will be required to move by [date no sooner than 30 days after notice]. This notice informs you*

that a comparable unit, listed below, has been made available to you and, if you choose this option, you will be required to move by [*date no sooner than 90 days after notice*].]

If you choose temporary relocation, your relocation exceeds one year and you qualify as a “displaced person” under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may become eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you choose to receive temporary relocation assistance, this assistance will include:

- Payment for Moving Expenses. You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary move. [*PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.*]
- The location of your temporary replacement unit is [*address*]. This temporary housing has been determined to be decent, safe and sanitary.
- [*List appropriate relocation advisory services and any other services and assistance provided.*]

If you elect to receive permanent relocation assistance, this assistance will include:

- Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. [*PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.*]
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present unit, and (3) 30% of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.
- [*PHA: list here any permanent relocation assistance offered, such as a Housing Choice Voucher.*]

- Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

We believe that the unit located at [address] is most representative of your original unit in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is [\$ amount] and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately [\$ (42 x monthly amount)], if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All replacement housing payments must be paid in installments. Your payment will be paid in [#]__ installments.

You may choose to purchase (rather than rent) a decent, safe and sanitary replacement home. If you do, you would be eligible for a down-payment assistance payment which is equal to your maximum replacement housing payment, [\$amount.] [PHAs should note that, at the agency's discretion, a down-payment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).] Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

Appendix 5: SAMPLE NOTICE OF ELIGIBILITY FOR URA RELOCATION ASSISTANCE (For residents who have been temporarily relocated for more than a year)

***THIS IS A GUIDE FORM.
IT SHOULD BE REVISED TO REFLECT THE CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear [*Resident*]:

The property you formerly occupied at [*address*] is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. You have been temporarily relocated from that property since [*date.*] Your temporary relocation has exceeded one year.

It has been determined that you qualify as a "displaced person" according to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You are eligible for relocation assistance and payments under the URA.

You may choose to remain temporarily relocated and return to a unit in the RAD project once it is completed. It is currently estimated that you may return to the RAD project by [*date*]. If you choose to remain temporarily relocated, you will stay at your current location until the RAD project is completed.

Alternatively, you may choose permanent relocation assistance and payments for which you are eligible, as listed below. If you choose permanent relocation assistance, you give up your right to return to the completed RAD project. However, **you do not need to move now.** If you choose permanent relocation assistance instead of exercising your right to return to the completed RAD project, you will not be required to move sooner than 90 days from the date that at least one comparable replacement unit has been made available to you. [*Alternatively: You will not be required to move sooner than 90 days from the date of this notice, which informs you of a comparable replacement unit that has been made available for you.*]

This is your Notice of Eligibility for relocation assistance.

The effective date of your eligibility is [*insert date that relocation exceeds one year.*]

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Enclosed is a brochure entitled, "Relocation Assistance to Tenants Displaced From Their Homes." Please read the brochure carefully. It explains your rights and provides additional information on eligibility for relocation payments and what you must do in order to receive these payments.

The relocation assistance to which you are entitled includes:

- Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. [*PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.*] This is in addition to any amounts received to reimburse for any reasonable out-of-pocket expenses incurred in connection with the temporary move.
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present home, and (3) for low-income persons, 30 percent of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.
- [*PHA list here any other relocation assistance offered the resident, such as Housing Choice Voucher .*]

Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

We believe that the unit located at [*address*] is most representative of the original unit you occupied in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is \$[*amount*] and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately \$ [42 x \$Amount], if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All replacement housing payments must be paid in installments. Your payment will be paid in [#] installments.

Should you choose to purchase (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a downpayment assistance payment which is equal to your maximum replacement housing payment, [\$ amount] *[PHAs should note that, at the agency's discretion, a downpayment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).]* Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe, and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for any applicable relocation payments.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print Name:

Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

MODEL LEASE FOR SUBSIDIZED PROGRAMS

Parties and Dwelling Unit

1. The parties to this Agreement are _____, referred to as the Landlord, and _____ referred to as the Tenant. The Landlord leases to the Tenant(s) unit number _____ located at _____ in the project known as _____.

Length of Time (Term)

2. The initial term of this Agreement shall begin on _____ and end on _____. After the initial term ends, the Agreement will continue for successive terms of one _____ each unless automatically terminated as permitted by paragraph 23 of this Agreement.

Rent

3. The Tenant agrees to pay \$ _____ for the partial month ending on _____. After that, Tenant agrees to pay a rent of \$ _____ per month. This amount is due on the _____ day of the month at _____.

The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the Tenant assistance payment and is shown on the "Assistance Payment" line of the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures form which is Attachment No. 1 to this Agreement.

Changes in the Tenant's Share of the Rent

4. The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:
- a. HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
 - b. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
 - c. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;

- d. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures
- e. HUD's procedures for computing the Tenant's assistance payment or rent change; or
- f. the Tenant fails to provide information on his/her income, family composition or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or Tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multi-family subsidy programs. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in paragraphs 11, 15 or 17. The Notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

Charges for Late Payments and Returned Checks

- 5. If the Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, the Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 23. The Landlord may collect a fee of \$_____ on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.

Condition of Dwelling Unit

- 6. By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all Appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment No. 2 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

Charges for Utilities and Services

- 7. The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services paid by the Landlord and those paid by the Tenant.
 - a. The Tenant must pay for the utilities in column (1). Payments should be made directly to the appropriate utility company. The items in column (2) are included in the Tenant's rent.

(1) Put "x" by any Utility Tenant Pays Directly	Type of Utility	(2) Put "x" by any Utility included in Tenant Rent
	Heat	
	Lights, Electric	
	Cooking	
	Water	
	Other (Specify)	

- b. The Tenant agrees to pay the Landlord the amount shown in column (3) on the date the rent is due. The Landlord certifies that HUD had authorized him/her to collect the type of charges shown in column (3) and that the amounts shown in column (3) do not exceed the amounts authorized by HUD.

(3) Show \$ Amount Tenant Pays to Landlord in Addition to Rent	
\$	Parking
	Other (Specify)
\$	
\$	
\$	

Security Deposits

8. The Tenant has deposited \$ _____  with the Landlord. The Landlord will hold this Security Deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant is eligible for a refund of any or all of the Security Deposit. The amount of the refund will be determined in accordance with the following conditions and procedures.
- a. The Tenant will be eligible for a refund of the Security Deposit only if the Tenant provided the Landlord with the 30 day written notice of intent to move required by paragraph 23, unless the Tenant was unable to give the notice for reasons beyond his/her control.
 - b. After the Tenant has moved from the unit, the Landlord will inspect the unit and complete another Unit Inspection Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.

- c. The Landlord will refund to the Tenant the amount of the Security Deposit plus interest computed at _____%, beginning _____, less any amount needed to pay the cost of:
- (1) unpaid rent;
 - (2) damages that are not due to normal wear and tear and are not listed on the Unit Inspection Report;
 - (3) charges for late payment of rent and returned checks, as described in paragraph 5; and
 - (4) charges for unreturned keys, as described in paragraph 9.
- d. The Landlord agrees to refund the amount computed in paragraph 8c within _____ days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.
- e. If the unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of this Agreement.
- f. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph 11.

Keys and Locks

9. The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant \$ _____ for each key not returned.

Maintenance

10.

- a. The Landlord agrees to:
 - (1) regularly clean all common areas of the project;
 - (2) maintain the common areas and facilities in a safe condition;
 - (3) arrange for collection and removal of trash and garbage;
 - (4) maintain all equipment and appliances in safe and working order;
 - (5) make necessary repairs with reasonable promptness;
 - (6) maintain exterior lighting in good working order;
 - (7) provide extermination services, as necessary; and
 - (8) maintain grounds and shrubs.

- b. The Tenant agrees to:
 - (1) keep the unit clean;
 - (2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
 - (3) not litter the grounds or common areas of the project;
 - (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
 - (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
 - (6) remove garbage and other waste from the unit in a clean and safe manner.

Damages

11. Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:
 - a. the cost of all repairs and do so within 30 days after receipt of the Landlord's demand for the repair charges; and

- b. rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD-approved market rent rather than the Tenant rent shown in paragraph 3 of this Agreement.

Restrictions on Alterations

12. No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to an otherwise eligible Tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the Tenant to make and pay for the modification in accordance with the Fair Housing Act.

General Restrictions

13. The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, Attachment 1. The Tenant agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the Landlord. The Tenant agrees not to:
 - a. sublet or assign the unit, or any part of the unit;
 - b. use the unit for unlawful purposes;
 - c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
 - d. have pets or animals of any kind in the unit without the prior written permission of the Landlord, but the Landlord will allow the Tenant to keep an animal needed as a reasonable accommodation to the Tenant's disability, and will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities; or
 - e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.

Rules

14. The Tenant agrees to obey the House Rules which are Attachment No. 3 to this Agreement. The Tenant agrees to obey additional rules established after the effective date of this Agreement if:

- a. the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
- b. the Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.

Regularly Scheduled Recertifications

15. Every year around the _____ day of _____  the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent and assistance payment, if any.
- a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multi-family subsidy programs.
 - (1) Require the Tenant to pay the higher, HUD-approved market rent for the unit.
 - (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this Agreement.
 - b. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

Reporting Changes Between Regularly Scheduled Recertifications

- 16.
- a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.
 - (1) Any household member moves out of the unit.
 - (2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
 - (3) The household's income cumulatively increases by \$200 or more a month.

- b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for non-payment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has 30 days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for non-payment of rent. (Revised 3/22/89).
- c. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD-approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multi-family subsidy programs.
- d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

Removal of Subsidy

17.

- a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.
 - (1) The Tenant does not provide the Landlord with the information or reports required by paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.
 - (2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.

- b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the 10 calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.
- c. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

Tenant Obligation to Repay

18. If the Tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

Size of Dwelling

19. The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards. These standards include consideration of unit size, relationship of family members, age and sex of family members and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant agrees to:
 - a. move within 30 days after the Landlord notifies him/her that unit of the required size is available within the project; or
 - b. remain in the same unit and pay the HUD-approved market rent.

Access by Landlord

20.
 - a. The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, and to enter the unit only after receiving the Tenant's consent to do so, except when urgency situations make such notices impossible or except under paragraph c below.

- b. The Tenant consents in advance to the following entries into the unit:
 - (1) The Tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.
 - (2) After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective Tenants during reasonable hours.
- c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

Discrimination Prohibited

- 21. The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status, and disability.

Change in Rental Agreement

- 22. The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the Tenant does not accept the amended Agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph 23.

Termination of Tenancy

- 23.
 - a. To terminate this Agreement, the Tenant must give the Landlord 30 days written notice before moving from the unit.
 - b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement.
 - c. The Landlord may terminate this Agreement for the following reasons:
 - (1) the Tenant's material non-compliance with the terms of this Agreement;
 - (2) the Tenant's material failure to carry out obligations under any State Landlord and Tenant Act;

- (3) drug related criminal activity engaged in on or near the premises, by any Tenant, household member, or guest, and any such activity engaged in on the premises by any other person under the Tenant's control;
 - (4) determination made by the Landlord that a household member is illegally using a drug;
 - (5) determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (6) criminal activity by a Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control:
 - (a) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or
 - (b) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;
 - (7) if the Tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
 - (8) if the Tenant is violating a condition of probation or parole under Federal or State law;
 - (9) determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (10) if the Landlord determines that the Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control has engaged in the criminal activity, regardless of whether the Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control has been arrested or convicted for such activity.
- d. The Landlord may terminate this Agreement for other good cause, which includes, but is not limited to, the Tenant's refusal to accept change to this Agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

The term material non-compliance with the lease includes:

- (1) one or more substantial violations of the lease;

- (2) repeated minor violations of the lease that:
 - (a) disrupt the livability of the project;
 - (b) adversely affect the health or safety of any person or the right of any Tenant to the quiet enjoyment to the leased premises and related project facilities,
 - (c) interfere with the management of the project, or
 - (d) have an adverse financial effect on the project
 - (3) failure of the Tenant to timely supply all required information on the income and composition, or eligibility factors, of the Tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies), and
 - (4) Non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.
- e. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this Agreement for "other good cause," the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit and in accordance with State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:
- (1) specify the date this Agreement will be terminated;
 - (2) state the grounds for termination with enough detail for the Tenant to prepare a defense;
 - (3) advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10 day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
 - (4) advise the Tenant of his/her right to defend the action in court.
- f. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph e.

Hazards

24. The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes a material non-compliance. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

Penalties for Submitting False Information

25. Knowingly giving the Landlord false information regarding income or other factors considered in determining Tenant's eligibility and rent is a material non-compliance with the lease subject to termination of tenancy. In addition, the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.

Contents of this Agreement

26. This Agreement and its Attachments make up the entire Agreement between the Landlord and the Tenant regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

Attachments to the Agreement

27. The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.
 - a. Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50059
 - b. Attachment No. 2 - Unit Inspection Report.
 - c. Attachment No. 3 - House Rules (if any).

Tenants' Rights to Organize

28. Landlord agrees to allow Tenant and Tenant organizers to conduct on the property the activities related to the establishment or operation of a Tenant organization set out in accordance with HUD requirements.

Tenant Income Verification

- 29. The Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.

Lease Agreement Termination

- 30. The lease Agreement will terminate automatically, if the Section 8 Housing Assistance contract terminates for any reason.

Signatures

31.

TENANT BY:

1. _____	_____/_____/_____ Date Signed
2. _____	_____/_____/_____ Date Signed
3. _____	_____/_____/_____ Date Signed
4. _____	_____/_____/_____ Date Signed

LANDLORD BY:

1. _____	_____/_____/_____ Date Signed
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Public reporting burden – HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the Tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the Tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.

LEASE ADDENDUM**VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005**

TENANT	LANDLORD	UNIT NO. & ADDRESS
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This lease addendum adds the following paragraphs to the Lease between the above referenced Tenant and Landlord.

Purpose of the Addendum

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

The effective date of this Lease Addendum is _____. This Lease Addendum shall continue to be in effect until the Lease is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

Tenant

Date

Landlord

Date

GRIEVANCE PROCEDURE

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

I. PURPOSE

As a resident, I understand this grievance procedure provides a means for me and my household to seek the just, effective and efficient settlement of grievances against Knoxville's Community Development Corporation, referred to as KCDC. I understand it was adopted in compliance with 24 CFR 966.52(c), 24 CFR 880.607, and the HUD Multi-Family model lease.

This grievance procedure will be incorporated by reference in:

1. the Low Income Public Housing resident Lease,
2. the Project Based Rental Assistance House Rules, and
3. the Section 8 Voucher Administration Plan

A copy will also be provided to all resident families and to all resident organizations affected by it. The laws governing this grievance procedure are in section 6(k) of the U.S. Housing Act of 1937 (42 U.S.C. § 1437d (k) and sub-part B of 24 Code of Federal Regulations part 966 (24 CFR § 966.50 - 966.57 and 24 CFR 880.607).

II. GENERAL PROVISIONS

A. DEFINITIONS

1. Calendar Days: Sunday through Saturday including national and other recognized holidays.
2. Community Service: Any non-exempt adult member of a resident household is required by HUD to perform Community Service hours each month. Failure to comply with the requirement will result in lease termination, if not cured and remedied as per HUD regulation.
3. Complainant: Any resident who presents a grievance, in the manner allowed by the procedure, to the KCDC Main Office or to the Development Management Office where the resident lives.
4. Drug-related Criminal Activity: The illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use a controlled substance, as defined in § 102 of the Controlled Substances Act (21 U.S.C. § 802) as from time to time amended.
5. Elements of Due Process: Procedural safeguard in an eviction action or termination of tenancy in a state or local court. They are:
 - a) Adequate notice to the Resident of the grounds for lease termination and/or eviction;
 - b) Right of the Resident to be represented by counsel;
 - c) Opportunity for the Resident to refute the evidence presented by KCDC, including the right to confront and cross examine witnesses and to present any defense which the Resident may have;
 - d) A decision based on the merits of the case.
6. Grievance: Any dispute with respect to KCDC action or failure to act in accordance with the lease or KCDC regulations which adversely affect the rights, duties, welfare, or status of the resident filing the complaint.
7. Guest: A person present in the apartment with the consent of a household member.
8. Hearing Officer: An impartial person or persons appointed by KCDC, in consultation with the
9. Knoxville Tenant Council, to hear grievances and make decisions regarding the grievance.
10. Hearing Panel: a panel selected by KCDC to hear grievances and render a decision regarding the grievance.
11. Notice: The term "notice," unless otherwise specifically stated, means written notice.
12. Resident: The adult person(s), other than a live-in aide:
 - a) Who lives in the unit and who executed the lease with KCDC as head of household, or if no such persons reside in the unit;
 - b) The person who resides in the unit, and who is the remaining head of the household with

legal capacity to assume tenancy.

13. **Resident Organization:** An organization of KCDC residents, which includes any resident association at the development level, any resident management corporation, and specifically includes the Knoxville Tenant Council.

B. WHEN THE GRIEVANCE PROCEDURE MAY BE USED

I understand an adult resident in the assisted family may use the grievance procedure to settle any dispute that myself or another adult family member has about KCDC's action or a failure to act which I believe has a negative effect on the my rights, duties, welfare or status as provided for by the lease or KCDC regulations;

Denial of Assistance on the Basis of Ineligible Immigration Status: I understand a resident may request that KCDC provide for an informal hearing after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. I further understand a resident must make this request within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

C. WHEN THE GRIEVANCE PROCEDURE DOES NOT APPLY

I understand the Grievance Procedure does not apply for the following:

1. To disputes between residents which do not involve KCDC;
2. To class grievances involving groups of residents;
3. To beginning or negotiating policy changes between a resident, or groups of residents, and KCDC's Board of Commissioners; or
4. To the matters described in paragraph D (2) below.

D. MATTERS REFERRED DIRECTLY TO THE COURT

The Department of Housing and Urban Development (HUD) has determined that the law of the State of Tennessee requires that all courts give the Resident the opportunity for a hearing which provides the basic elements of due process [defined above in Part 2, A(5)] before eviction from a unit. Therefore, KCDC has elected and I understand the grievance procedure will not apply to any termination of tenancy or eviction that involves:

1. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of KCDC, or
2. Any drug-related criminal activity on or off KCDC premises.
3. Alcohol abuse or a pattern of alcohol abuse that interferes with the health, livability or right to peaceful enjoyment of the premises of other residents or employees of KCDC.

E. SETTLEMENT OF GRIEVANCES

General Disputes with Property Management

I understand that grievances that are as a result of a dispute with management, that is not related to a Notice to Vacate or Termination of Tenancy, will be referred to KCDC staff in the following order as long as the matter remains unresolved:

- 1) The Housing Director in charge of supervising the management staff at the specific property or department;
- 2) The Vice President of housing in charge of supervising Housing Director(s);
- 3) The Chief Executive Officer who is the President and head of the Housing Authority;

If no resolution is found to the tenant's satisfaction, or at anytime in the process, the tenant may contact Housing and Urban Development directly to file a complaint. Phone numbers and forms for a variety of specific complaints may be found at https://www.hud.gov/complaints_home.

Appealing Notices to Vacate and Termination of Tenancy

I understand the settlement of a grievance to appeal a Notice to Vacate or a Termination of Tenancy is a two-part process for the Low-Income Public Housing program and a one-part process for the Section 8 and Project Based Rental Assistance programs.

An informal hearing is provided for each housing program. This hearing is an informal conference between myself as resident, or my representative, and KCDC. In most cases the grievance can be settled during the informal conference. However, in the case of the Low Income Public Housing program, if I am not satisfied with the results of the informal conference, a formal grievance hearing can be requested. The procedures for the informal conference and the formal grievance hearing follow:

1. INFORMAL CONFERENCE

REQUESTING THE CONFERENCE: I understand I must present a written request for an informal conference to the Development Management Office or the KCDC Main Office within ten (10) calendar days after the event which is the subject of the grievance. (In the case of appealing and eviction, the request must be submitted within ten (10) calendar days following the date on the resident’s Notice to Vacate). **I must clearly state that a conference is being requested in accordance with this grievance procedure.** Complaints concerning reasonable accommodation requests should be directed to the ADA Coordinator for review and determination. The informal conference is not available in cases of termination of tenancy or eviction to which the grievance procedure does not apply (Part 2 (C) and (D) above).

INFORMAL SETTLEMENT CONFERENCE: Within a reasonable time (generally within thirty (30) calendar days) after the request for the conference, KCDC will informally discuss the grievance with me, and/or my representative, in an attempt to settle the dispute.

SUMMARY OF THE OUTCOME OF THE INFORMAL CONFERENCE: Within a reasonable time (generally ten (10) days) after the informal settlement conference, KCDC will prepare a written summary of the informal discussion. A copy of the summary will be provided to me and a copy will be placed in my tenant record. The summary will give the names of those participating in the discussion, the date of the discussion, the proposed means for resolving the grievance and the specific reason for resolving the grievance as proposed. The summary will also specify the procedures I may take if I am not satisfied with the proposed resolution of the grievance. In the case of the Low Income Public Housing program, the next step would be to obtain a formal grievance hearing and in the cases of Project Based Rental Assistance and Section 8 housing programs, the next step would be to proceed to a court hearing.

FAILURE TO ATTEND THE INFORMAL SETTLEMENT CONFERENCE: If I am unable to attend the conference with good cause I understand I must notify KCDC prior to the scheduled conference. If I fail to attend the conference with no notice to KCDC, I understand my right to a hearing may be waived.

2. FORMAL GRIEVANCE HEARING (for the Low Income Public Housing program only)

REQUESTING THE HEARING: I understand if I am a resident of the Low Income Public Housing program and I am not satisfied with the results of the informal settlement conference, I must submit a written request for a Formal Grievance Hearing. The request must be submitted to the Development Management Office or the KCDC Main Office within ten (10) calendar days from the date of the mailing of the summary of the informal settlement conference. The written request must include the reasons for the grievance and the action or relief sought by me.

FAILURE TO REQUEST A HEARING: If I fail to request a hearing within ten (10) calendar days after the date of the mailing of the written summary of the informal settlement conference, KCDC's decision given at the informal conference becomes final and KCDC is not obligated to offer me a formal hearing. However, failure to request the hearing does not forfeit my right to later take court action to contest KCDC's decision on the grievance.

RIGHTS TO A FORMAL GRIEVANCE HEARING: To have the right to a Formal Grievance hearing, I understand the following prerequisites must be met:

- a. I am a resident of KCDC's Low Income Public Housing program
- b. I have completed the informal settlement conference procedure or have requested to by-pass the informal conference for good cause;
- c. I have requested a hearing in writing;
- d. If the dispute involves the amount of rent which KCDC claims I owe, I understand I must pay KCDC an amount of rent equal to the amount due and payable on the first of the month before the month in which the grievance took place. If the formal grievance hearing is delayed for any reason, I must continue to deposit the same amount in an escrow account each month until the dispute is resolved by decision of the hearing officer. I understand my failure to pay the required rent will result in the termination of the grievance procedure, unless KCDC has provided me with a written waiver because of extreme and undue hardship to myself or other family members. If a grievance concerns the denial of a financial hardship exemption from the minimum rent requirement or the effect of welfare benefit reductions in the calculation of family income, the requirement for an escrow deposit is waived.

F. SELECTION OF HEARING OFFICERS

1. Appointment of Hearing Officers: All grievance hearings will be conducted by an impartial person appointed by KCDC (a staff member has been designated to coordinate KCDC's efforts in complying with and fulfilling its responsibilities under Title II of ADA). The hearing officer (or ADA Coordinator) will not be a person who initiated or approved the KCDC action under review or a person supervised by that person. The appointment of persons to serve as hearing officers will be made as follows:
 - a) KCDC will develop a list of persons to serve as officers which may include, but is not limited to, KCDC staff, an attorney appointed by the Knoxville Bar Association, employees of community social services agencies, or other responsible persons in the community.
 - b) The names of potential appointees will be submitted to the Knoxville Tenant Council. Written comments, or objections to the appointment of a person, from the members of the Council, will be considered by KCDC before appointments are finally made.
 - c) KCDC will provide the resident associations and the Knoxville Tenant Council with a written list of all appointed hearing officers.

The names of persons who are appointed to serve as hearing officers are posted in the Management Development Office and are hereby incorporated by reference. This list will be updated as changes occur.

2. Assignment of a Hearing Officer: The ADA Coordinator will be the hearing officer for reasonable accommodation grievances. The assignment of a hearing officer for other grievance hearings will be made as follows:
 - a) All hearings will be held by a single hearing officer.
 - b) Assignment to a particular hearing will be made by KCDC subject to the availability of the hearing officer to serve for the hearing.
 - c) No KCDC staff person may be assigned as the hearing officer for a grievance contesting an action which was either initiated or approved by that person or a person under whom the hearing officer works or serves as a subordinate.
 - d) Hearing officers must disqualify themselves from hearing grievances that involve personal friends, relatives, persons with whom they have any business relationship, or grievances in which they have some personal interest. Also, hearing officers are expected to disqualify themselves if the circumstances of a grievance give a significant perception that the hearing officer could show partiality.

I understand if I wish to object to the assignment of a particular hearing officer on the grounds of partiality, the objection must be made before the hearing starts, otherwise the right to object is waived, and cannot be made thereafter. If a hearing officer fails to disqualify himself or herself as required in this section, KCDC will remove the officer from the list of persons appointed to hear grievances; invalidate the results of the grievance hearing in which the person should have, but did not, disqualify himself or herself; and schedule a new hearing with another hearing officer.

G. PROCEDURES GOVERNING FORMAL GRIEVANCE HEARINGS

1. Time, Place, and Notice: The assigned hearing officer will determine a time and place for the hearing that is convenient to me and KCDC, within a reasonable amount of time after I have completed all the prerequisites described in Part 2, E(2). The hearing officer will give written notice to me and KCDC specifying the time and place, and the procedures governing the hearing.

I understand if I or KCDC fail to appear at the scheduled hearing, the hearing officer may either postpone the hearing or declare that the party failing to attend has waived their right to a hearing. In either case, the hearing officer must notify me and KCDC of the determination. Failure to attend a grievance hearing does not constitute a waiver of my right to contest KCDC's disposition of the grievance in a judicial proceeding.

2. The Hearing: The hearing will be held before a hearing officer assigned as described in Part 2, F(2). The hearing officer may render a decision without proceeding with the hearing if he or she determines that the issue has been previously decided in another proceeding. The hearing officer may receive oral or documentary evidence pertinent to the facts and issues raised by the complaint without regard to admissibility under the rules of evidence applicable to judicial proceedings.

ORDERLY CONDUCT: The hearing officer will require KCDC, myself, counsel, and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer to maintain order may result in exclusion from the hearing or in an unfavorable decision influenced by the disorderly conduct of the party.

ENTITLEMENT TO RELIEF: At the beginning of the hearing, I understand as the complainant, I must first make a showing of an entitlement to the relief sought. KCDC must justify its action or failure to act on the matter(s) which is the subject of the hearing.

FAIR HEARING: I as a resident will be given a fair hearing which includes:

- a) The opportunity, before the hearing, to examine and copy, for a nominal fee, any KCDC documents, including records and regulations that are directly relevant to the hearing. Documents that were not made available to the complainant cannot be used by KCDC during the grievance hearing.
- b) The right to be represented by counsel or other persons chosen as my representative and to have that person make statements on my behalf.
- c) The right to a private hearing unless I request a public hearing.
- d) The right to present evidence and arguments relevant to the grievance, to counter evidence relied on by KCDC and to confront and cross examine all witnesses who provide testimony or information in behalf of KCDC's position in the grievance.
- e) A decision based solely and exclusively on the facts presented at the hearing.

TRANSCRIPT OF THE HEARING: I or KCDC may arrange in advance, at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of the transcript.

ACCOMMODATION TO PERSONS WITH DISABILITIES: KCDC will provide reasonable accommodation for persons with disabilities to participate in grievance hearings. Reasonable

accommodations may include qualified sign language interpreters, readers, accessible locations, or attendants. If I am visually impaired, any notice delivered will be in an accessible format.

H. DECISION OF THE HEARING OFFICER

Within a reasonable time after the completion of the hearing, the hearing officer will make a determination as to the merits of the grievance.

1. WRITTEN DECISION: The hearing officer will prepare a written decision which gives the reasons for the decision. A copy of the decision will be sent to both me and KCDC. KCDC will keep a copy of the decision in my resident record. An additional copy of the decision, with all names and identifying references deleted, will be kept by KCDC and may be reviewed by any prospective complainant, his or her representative, or hearing officer.
2. EFFECT OF THE DECISION: KCDC will be obligated by the written decision to take all actions, or refrain from any actions necessary to carry out the decision, unless the KCDC Board of Commissioners determine within a reasonable time, and promptly notify the me that:
 - a) The grievance does not concern action or failure to act on the part of KCDC which adversely affects the my rights, duties, welfare or status as provided for in the Dwelling Lease or KCDC regulations, or
 - b) The decision of the hearing officer is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and KCDC.
3. In the case of a hearing where the hearing officer upholds KCDC's proposal to evict me, KCDC may not take action to regain possession of the unit until after my right to use and/or occupy the premises has been terminated by lawful notice. Such notice will not be given before the date the hearing officer's decision is delivered or mailed to me. The notice to vacate must be in writing and must inform me that:
 - a) Failure to move from the unit within the time identified by law, or on the date stated in the Notice of Termination from KCDC, whichever is later, will result in KCDC taking legal action against me; and
 - b) I may be required to pay court costs and attorney fees.
4. MY RIGHTS TO JUDICIAL PROCEEDINGS:

A decision by the hearing officer or Board of Commissioners in favor of KCDC or which denies the relief I have requested, in whole or in part, does not constitute a waiver of, nor affect in any way the my rights to a trial or judicial review in any judicial proceedings I may wish to pursue.

III. NOTICES

All notices under this grievance procedure will be considered delivered:

- A. When personally given to me or an adult member of my household,
- B. On the date receipted for or refused by the addressee, in the case of certified or registered U.S. Mail, or
- C. On the second day after placing the postage prepaid notice in the U.S. Postal Service, if mailed by first class mail other than certified or registered mail.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
PET POLICY**

In accordance with section 31 of the United States Housing Act of 1937 (42 U.S.C. 1437z-3) as amended, KCDC will allow a resident to own or keep a common household pet in KCDC's public housing dwelling units upon approval of their request. The resident must maintain the pet responsibly; in accordance with applicable state and local public health, animal control, and animal anti-cruelty laws and regulations; and in accordance with KCDC's policies established in its Annual Plan. The following Pet Policy details the requirements for a resident to keep a pet, including how to obtain permission; the types, number and size of allowable pets; inoculations; financial obligations of the resident; nuisance or threat to health or safety; removal of pets; and consequences for violation of the pet policy.

The Pet Policy will be posted in the KCDC management offices and is incorporated by reference into the Dwelling Lease.

KCDC will not be responsible for the personal liability of any resident pet owner, household members, and/or guests. The pet owner will be held responsible for the action of their pet(s) at all times.

1. EXCLUSIONS

This policy does not apply to animals that are used to assist, support, or provide services to persons with disabilities, as long as the animal has been trained to assist persons with that specific disability and the animal actually assists the person with that specific disability. However, the policy does not exempt such a resident from any requirements of the Lease that prohibits any conduct which disturbs other residents or threatens the physical or social environment.

A resident, or prospective resident, who claims that a particular animal is needed to assist the persons with disabilities must provide:

1. A certification that the resident or a member of his/her family is a person with a disability and
2. Documentation that the animal has been trained to assist persons with that specific disability and actually assists the person with that disability.

Any resident currently approved for a pet would not be exempt from any requirements of the lease that prohibits any conduct which disturbs other residents or threatens the physical or social environment of the development. Should the approved pet die or leave the development, any additional pet would be subject to the pet policy including all requirements, and rules.

2. APPROVAL

A family will not be allowed to keep a pet without prior written permission from KCDC. If a family wishes to keep a pet, they must submit a written request to the development office. Then, KCDC staff will meet with the prospective pet owner to explain the policy and pet rules. The resident will be required to complete and sign a "Pet Permit and Agreement Form" which, if approved by KCDC, will be placed in the resident file with a copy to a general pet file. Also, the pet owner must provide a photo of the pet; proof of inoculations; neutering/spaying certification; and the name of the veterinarian.



3. TYPES, SIZES AND NUMBER OF PETS ALLOWED

KCDC will allow only common household pets in the units and will limit them to the following: domesticated dogs, cats, fish, gerbils, hamsters, and birds that are traditionally kept in the home rather than for commercial or other purposes. Reptiles will not be allowed. All dogs and cats must be neutered or spayed and certification from a veterinarian must be provided to KCDC.

KCDC reserves the right to deny permission for household pets which are or may be, in the sole discretion of KCDC, vicious or dangerous, or which are large in stature exceeding thirty (30) pounds in weight when fully grown. Dogs expressly prohibited are Pit Bulls, Rottweiler, and Doberman Pinschers. Also, KCDC reserves the right to exclude other breeds or mixed breeds on a case-by-case basis.

Only one type of pet will be allowed per household. Also, there is a limit of one (1) dog or cat per unit and dogs cannot exceed thirty (30) pounds. Birds, which must be kept in a cage at all times, will be limited to two per household. Parakeets or parrots are the only acceptable types of birds. Fish will be limited to no more than twenty (20), non-poisonous fish in a tank with a maximum capacity of twenty (20) gallons.

4. INOCULATIONS

Pets must be appropriately inoculated against rabies and other conditions prescribed by local ordinances. The name of the veterinarian must be provided to KCDC. Cats and dogs must be treated for fleas. Certification of all required vaccinations must be provided to KCDC at the annual reexamination.

5. FINANCIAL OBLIGATION OF RESIDENTS

Pets must be restrained and prevented from digging, gnawing, chewing, scratching, or otherwise defacing property, including doors, walls, windows, screens, floor coverings, other units, common areas, buildings, landscaping or shrubs. KCDC, at its sole discretion, may randomly and periodically inspect the units of pet owners with appropriate notice to insure compliance. Additionally, KCDC staff, including maintenance personnel, reserve the right to refuse to enter a unit to perform work where there is an unattended pet.

Any resident who owns or keeps a pet in their dwelling unit will be required to pay for damages caused by the pet. Also, any pet-related insect infestation, including fleas and/or ticks, in the pet owner's unit will be the financial responsibility of the pet owner. KCDC reserves the right to exterminate and charge the resident.

6. NUISANCE OR THREAT TO HEALTH OR SAFETY

Pet owners are expected to exercise responsible and courteous behavior so that the presence of their pet on the property in no way violates the right of other to peaceful enjoyment of the premises. A resident will be fully responsible for any disturbance or injury to other residents or KCDC staff caused by its pet. Any disturbance or injury will be a violation of the Pet Policy and rules which is incorporated in the lease by addendum. KCDC, at its sole discretion, may require the resident to remove the pet immediately; terminate the resident's tenancy; or both.

The resident must maintain control over their pet(s). Dogs and cats must be on a leash at all times



when outside the resident's apartment, and all droppings must be removed and disposed of by the person walking the animal. Failure to do so will be a violation of the Pet Policy and may result in a maintenance charge. Failure to pay a maintenance charge may result in an eviction. Units, yards, and KCDC property must be kept free of odors, insect infestation, and pet feces, urine, waste and litter. Additionally, the pet and its living quarters must be maintained to prevent odors and any other unsanitary conditions, including insect infestation, in the owner's unit and surrounding areas. Litter boxes are required for cats.

If KCDC receives complaints against an approved pet owner, the appropriate staff will work with the pet owner and try to resolve the matter informally. If the matter is not resolved within three (3) days, KCDC will initiate eviction proceedings.

For Pet Policy violations, KCDC may, at its sole discretion, ask the resident to remove the pet within ten (10) days (immediately if the animal is deemed "vicious"), terminate the resident's tenancy, or both. Any unresolved complaints may be the subject of a grievance by the resident under the established grievance procedures, except that, animals deemed "vicious" by KCDC must be removed from KCDC property pending the grievance.

Any animal that is used to threaten either people or other animals or attacks will be deemed "vicious" and barred from the development. If the resident does not immediately remove the animal, the resident will be in material violation of the lease and may be evicted.

7. DESIGNATION OF PET AREAS

Dogs and cats must be kept in the owner's apartment or on a leash at all times when outside. No chaining, fencing, or restraint of unattended dogs or cats is permitted at any time. Animals left unattended may be subject to removal.

Pets will not be allowed at any time in community/recreation rooms, laundry rooms or other interior or exterior sitting areas.

8. MISCELLANEOUS PET RULES

- A. All dogs and cats must wear identification tags at all times
- B. Residents must provide certification each year at the time of their annual reexamination, that the pet continues to be in good health and has had all required vaccinations;
- C. Residents must board their pet(s) (except for fish) away from the development or make other arrangements for the care of their pet(s) when they intend to leave their unit for 24 hours or more. The Pet Permit and Agreement requires residents to provide KCDC with the name and phone number of two (2) pet caregivers who have agreed to assume responsibility and removal of the pet in the event of sudden illness, absence, or death of the resident. KCDC reserves the right to consider the presence of an unattended pet an emergency, and will enter the unit to remove the pet.

9. REMOVAL OF PETS/VIOLATION OF PET POLICY

KCDC, or an appropriate community authority, shall require the removal of any pet from a development if the pet's conduct or condition is determined to be a nuisance or threat to the health or safety of other occupants of the development or of other persons in the community where the development is located.



If KCDC determines a family is keeping a pet without express written permission from KCDC, the family will be asked to vacate the unit. Any unauthorized and/or unattended pets observed on the grounds or in common areas will be removed from KCDC's property.

KCDC has the right to evict the family for any violation of the Pet Policy.

10. MODIFICATION TO THE POLICY

KCDC may amend the Pet Policy at any time by giving thirty (30) days written notice to the resident. The notice will provide the resident with the opportunity to present written comments.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
PERMIT AND AGREEMENT
(To be completed by Resident)

Pet Owner's Name: _____

Pet Owner's Address: _____

Home Phone: _____ Work Phone: _____

Pet's Name: _____ Breed/Type: _____

Veterinarian: _____

Address: _____ Phone: _____

Spayed or Neutered (Documentation): _____

License or ID Number: _____

EMERGENCY PET CARE GIVER: _____

Address: _____ Phone: _____

EMERGENCY PET CARE GIVER: _____

Address: _____ Phone: _____

I have read and understand the rules governing pets, and I along with all members of my family promise to fully comply.

Pet Owner Signature: _____ **Date:** _____

Approved By: _____ **Date:** _____

Attach to form: Picture of Pet
Rabies Certification
Spayed/Neutered Certification



Knoxville's Community Development Corporation

Smoke-free Housing Policy

Effective: July 31, 2018

1. Department of Housing and Urban Development Rule.

On November 29, 2016, the Department of Housing and Urban Development (HUD) adopted [Rule RIN 2577-AC97](#), effective February 3, 2017, which requires every Public Housing Agency (PHA) administering public housing to implement a smoke-free policy. Specifically, no later than 18 months from the effective date of the rule, each PHA must implement a "smoke-free" policy banning the use of "prohibited tobacco products" in all public housing living units, indoor common areas in public housing, and in PHA administrative office buildings. The smoke-free policy must also extend to all outdoor areas up to 25 feet from the public housing and administrative office buildings.

Under the Rule, a PHA's smoke-free policy must, at a minimum, ban the use of all prohibited tobacco products, which are defined as (1) items that involve the ignition and burning of tobacco leaves, such as (but not limited to) cigarettes, cigars, and pipes, and (2) to the extent not covered by (1), waterpipes (hookahs).

Pursuant to the Rule, PHAs may, but are not required to, further restrict smoking to outdoor dedicated smoking areas outside the restricted areas, create additional restricted areas in which smoking is prohibited (e.g., near a playground), or, alternatively, make their entire grounds smoke-free.

2. Purpose of Policy.

This smoke-free policy is intended to benefit the Housing Authority and all of its residents, visitors, and staff by mitigating (i) the irritation and known adverse health effects of secondhand smoke; (ii) the increased maintenance, cleaning, and redecorating costs from smoking; (iii) the increased risk of fire from smoking; and (iv) the higher costs of fire insurance for a non-smoke-free building.

3. Definitions.

"Smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, including hookahs and marijuana, whether natural or synthetic, in any manner or in any form. "Smoking" also includes the use of an electronic smoking device which creates an aerosol or vapor, in any manner or in any form.



“Electronic Smoking Device” means any product containing or delivering nicotine or any other substance intended for human consumption that can be used by a person in any manner for the purpose of inhaling vapor or aerosol from the product. The term includes any such device, whether manufactured, distributed, marketed, or sold as an e-cigarette, e-cigar, e-pipe, e-hookah, or vape pen, or under any other product name or descriptor.

4. All Buildings To Be Smoke-free.

All buildings and administrative offices shall be smoke-free. Smoking is prohibited in all living units, including any associated balconies, decks, or patios, and in the common areas of the buildings, including, but not limited to, community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices, and elevators.

5. Smoking on Grounds of Buildings.

Smoking is prohibited on the grounds adjoining buildings, except in designated smoking areas located at least 25 feet from such buildings. Smoking is also prohibited within 25 feet of playgrounds.

6. Applicability of Policy.

This Policy is applicable to all residents, employees, visitors, contractors, volunteers, and vendors.

7. Responsibilities of Tenants.

Tenants and household members shall be responsible to enforce this Policy as to their guests, invitees, and visitors to their residential units. Further, a Tenant shall promptly give management a written statement of any incident where tobacco or marijuana smoke, or vapor from an electronic cigarette, is migrating into the Tenant's apartment unit from sources outside the Tenant's unit.

8. Housing Authority to Promote Smoke-free Policy.

Management shall post no-smoking signs at entrances and exits, common areas, and in conspicuous places on the grounds of all residential and administrative office buildings. In addition, management shall provide copies of this Policy to all Tenants and prospective Tenants.

9. Right of Tenants To Sue Other Tenants Who Violate Policy.

A Tenant may bring legal action against another Tenant related to this smoke-free Policy, but a Tenant shall not have the right to evict another Tenant. Any legal action between Tenants related to this Policy shall not create a presumption that management failed to perform its responsibilities under the Policy.



10. Violations of Policy.

A violation of this smoke-free Policy shall be considered a material breach of the Tenant's Lease and grounds for enforcement actions, including eviction, by management. A Tenant who violates the Policy shall also be liable to the Housing Authority for the costs of repair to the Tenant's apartment unit due to damage from smoke odors or residue.

Unless an incident is specifically egregious, management will employ a graduated enforcement approach including the following steps:

- Verbal warning
- Written warning
- Final notice
- Eviction proceedings

Eviction proceedings will include the right to participate in the grievance process. Information and referrals will be a priority throughout these steps. Educational and smoking cessation materials will be provided with all warnings, conferences and eviction proceedings.

11. Housing Authority Not Guarantor of Smoke-free Environment.

The Housing Authority's adoption of this smoke-free Policy does not make the Housing Authority or any of its officers, employees, or agents, the guarantor of the health of any Tenant or of the smoke-free condition of the portions of its properties in which smoking is prohibited under the Policy. However, the Housing Authority will take reasonable steps to enforce the Policy. The Housing Authority is not required to take steps in response to smoking in violation of this Policy unless the Housing Authority either has actual knowledge of the smoking and the identity of the responsible Tenant or has been given written notice of the smoking.

12. Housing Authority Disclaimer.

The Housing Authority's adoption of this smoke-free Policy does not in any way change the standard of care that the Housing Authority would have to render buildings and premises designated as smoke-free any safer, more habitable, or improved in terms of air quality standards than any other rental premises. The Housing Authority specifically disclaims any implied or express warranties that the building, common areas, or Tenants' premises will have any higher or improved air quality standards than any other rental property. The Housing Authority cannot and does not warranty or promise that the rental premises or common areas will be free from secondhand smoke or vapor. The Housing Authority's ability to police, monitor, or enforce the provisions of this Policy is dependent in significant part on voluntary compliance by Tenants and their guests/visitors. Tenants with respiratory ailments, allergies, or any other physical or mental condition relating to smoke are put on notice that the Housing Authority does not assume any higher duty of care to enforce this Policy than any other Housing Authority obligation under the Tenants' Lease Agreement.

Head of Household Signature _____ Date _____

KCDC Representative Signature _____ Date _____



Western Heights Addition (3-4)
 Building/Unit Detail Report
 Date 4/25/2023
 Hub 4HMEM Memphis Hub
 FieldOffice 4JPH KNOXVILLE PROGRAM CENTER
 Field Office HA TN003 KCDC

Unit Count 196
 Building Count 38
 Construction Date 6/1/1953

Development Number	Building Number	Entrance Number	Unit ID	Location	Status	Building Type
TN003000001	WA068	001	304-0245	1426 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA068	002	304-0246	1424 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA068	003	304-0247	1422 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA068	004	304-0248	1420 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA068	005	304-0249	1418 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA068	006	304-0250	1416 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	001	304-0251	1414 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	002	304-0252	1412 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	003	304-0253	1410 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	004	304-0254	1408 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	005	304-0255	1406 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	006	304-0256	1404 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	007	304-0257	1402 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA069	008	304-0258	1400 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	001	304-0259	1358 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	002	304-0260	1356 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	003	304-0261	1354 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	004	304-0262	1352 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	005	304-0263	1350 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	006	304-0264	1348 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	007	304-0265	1346 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA070	008	304-0266	1344 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	001	304-0267	1342 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	002	304-0268	1340 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	003	304-0269	1338 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	004	304-0270	1336 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	005	304-0271	1334 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA071	006	304-0272	1332 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	001	304-0273	1330 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	002	304-0274	1328 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	003	304-0275	1326 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	004	304-0276	1324 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	005	304-0277	1322 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)
TN003000001	WA072	006	304-0278	1320 OLDHAM AVE.KNOXVILLE	Initial Approval Completed	Row or Townhouse (Sep. entrances)

DECONCENTRATION POLICY

KCDC will affirmatively market its housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments. Toward this end, KCDC will:

- A. Skip over families on the waiting list to reach another family with a lower or higher income. The process of skipping names on the waiting list will be applied uniformly and will be consistent with site-based waiting lists;
- B. Establish local preferences that promote deconcentration of poverty and income mixing, such as a preference for working families;
- C. Provide supportive services, such as child care, job training and placement programs, and case management;
- D. Offer rent incentives, if deemed appropriate and financially feasible, for eligible families who will have the sole discretion in determining whether to accept the incentive. KCDC will not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of a development.

Prior to the beginning of each fiscal year, KCDC will analyze the income levels of families residing in each of its developments and the income levels of the families on the waiting list. Based on this analysis, KCDC will determine marketing strategies for deconcentration.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

ADMINISTRATIVE PLAN FOR THE SECTION 8 PROGRAM

JULY 1 2026



REV 20260218

TABLE OF CONTENTS

1. Equal Opportunity	8
1.1 Fair Housing/Nondiscrimination	8
1.2 Reasonable Accommodation	8
1.3 Services For Non-English Speaking Applicants And Participants	9
1.4 Family/Owner Outreach	9
1.5 Right To Privacy	9
1.6 Required Postings	9
2. KCDC/Owner Responsibility/Obligation Of The Family	10
2.1 KCDC Responsibilities	10
2.2 Owner Responsibilities	11
2.3 Obligations Of The Participant	11
3. Project-Based Voucher Program	14
3.1 Submission And Selection Of PBV Proposals	14
3.2 Cap On Number Of PBV Units In Each Building	15
3.3 Set-Aside Of Excepted Units For Qualifying Families	15
3.4 Qualifying Supportive Services	17
3.5 Waiting List	17
3.6 HAP Contract Between KCDC And PBV Property Owner	18
3.7 Overcrowded, Under-Occupied And Accessible Units	20
3.8 Family Right To Move:	20
3.9 Vacancy Payments	20
3.10 Additional Administrative Plan Provisions Applicable To The PBV Program	20
3.11 Special Housing Types Applicable To The PBV Program	21
3.12 Supportive Housing (VASH) Project Based Vouchers, Family Unification Program (FUP) Project Based Vouchers, and Mainstream (MS) Project Based Vouchers	21
4. VETERAN'S ADMINISTRATIVE SUPPORTIVE HOUSING (HUD-VASH)	21
5. FAMILY UNIFICATION VOUCHERS (FUP)	22

5.1 FUP-Eligible Family	22
5.2 FUP-Eligible Youth	22
5.3 Homeless	22
5.4 Lack of Adequate Housing	22
5.5 Living in Overcrowded Housing.	23
5.6 KCDC’s responsibilities under the Family Unification Voucher Program:	23
5.7 DCS’s Responsibilities as outlined in the Memorandum of Understanding (MOU)	23
5.8 The Continuum of Care Agencies Responsibilities Are Outlined Below:	24
5.9 The MOU signed by DCS and the COC agencies clearly addresses, at a minimum, the following:	24
6. FOSTERING YOUTH TO INDEPENDENCE INITIATIVE (FYI)	25
6.1 Youth Eligibility	25
6.2 Partnership Agreement	25
6.3 Additional Program Requirements	25
7. Emergency Housing Vouchers (EHV)	26
7.1 Introduction	26
7.2 Eligibility	26
7.3 Service Provided to Eligible Families	26
7.4 Roles and Responsibilities	27
8. Mainstream Vouchers (MS)	27
8.1 Introduction	27
8.2 Eligibility and Selection	27
9. Moving to Work	28
9.1 Introduction	28
10. Eligibility For Admission	29
10.1 Introduction	29
10.2 Eligibility Criteria	29

11. Managing The Waiting List	33
11.1 Opening and Closing the Waiting List	33
11.2 Taking Applications	33
11.3 Organization Of The Waiting List	34
11.4 Families Nearing The Top Of The Waiting List	34
11.5 Missed Appointments	34
11.6 Purging The Waiting List	34
11.7 Removal Of Applicants From The Waiting List	34
11.8 Grounds For Denial	34
11.9 Notification Of Negative Actions	36
11.10 Informal Review	36
12. Selecting Families To Receive Assistance	36
12.1 Special Admission (non-waiting list): Assistance targeted by HUD.	36
12.2 Waiting List Admission	36
12.3 Selection From The Waiting List	38
13. Voucher Distribution	38
13.1 Assignment Of Bedroom Sizes (Occupancy Standards)	38
13.2 Voucher Briefing	39
13.3 Packet	40
13.4 Issuance Of Voucher; Request For Tenancy Approval	41
13.5 Term Of The Voucher	41
13.6 Approval To Lease A Unit	41
13.7 KCDC Disapproval Of Owner	43
13.8 Security Deposit	43
13.9 Ineligible/Eligible Housing	43
14. Moves With Continued Assistance	44
14.1 When A Family May Move	44
14.2 Vacancy Payments	45

15. Portability	45
15.1 General Policies Of KCDC	45
15.2 Income Eligibility	45
15.3 Portability: Administration By Receiving Housing Agency	45
15.4 Portability Procedures	46
16. Determination Of Family Income	47
16.1 Income, Exclusions From Income, Deductions From Income	47
16.2 Income	47
16.3 Exclusions From Income	50
16.4 Deductions From Annual Income	52
16.5 Cooperating With Welfare Agencies	54
17. Verification	54
17.1 Acceptable Methods Of Verification	56
17.2 Verification Of Medical Expenses	58
17.3 Verification Of Deduction For Child Care Expenses	58
17.3.1 Verification Of Qualifying Activity:	58
17.4 Verification Of Citizenship Or Eligible Noncitizen Status	58
17.5 Verification Of Social Security Numbers	59
17.6 Timing Of Verification	59
18. Rent And Housing Assistance Payment	59
18.1 Rent Reasonableness	59
18.2 Rent Reasonableness Comparability	60
18.3 Maximum Subsidy	61
18.3.1 Setting the Payment Standard	61
18.3.2 Area Exception Rents (If Applicable)	62
18.4 Assistance And Rent Formulas	62
18.5 Utility Allowance	64
18.6 Distribution Of Housing Assistance Payment	65
18.7 Change Of Ownership Or New Ownership	65

19. Inspection Policies and Housing Quality Standards or Inspire if applicable.	66
19.1 Types of Inspections	66
19.2 Owner And Family Responsibility	67
19.3 Exceptions To The HQS or NSPIRE if applicable Acceptability Criteria	68
19.4 Time Frames And Corrections Of HQS or NSPIRE if applicable Fail Items	69
19.5 Life Threatening Deficiencies/Emergency Fail Items	69
19.6 Abatement	71
20. Reexamination	71
20.1 Changes In Lease Or Rent	71
20.2 Annual Reexamination	72
20.2.1 Effective Date of Rent Changes for Annual Reexamination	72
20.2.2 Missed Appointments	72
20.3 Interim Reexaminations	73
20.4 Special Reexaminations	74
20.4.1 Effective Date of Rent Changes Due to Interim or Special Reexaminations	75
20.5 Retroactive Charges	75
21. Termination Of Assistance To The Family By KCDC	75
21.1 Victim of Domestic Violence, Economic Abuse, or Technological Abuse	77
22. Complaints, Informal Reviews For Applicants, Informal Hearings For Participants	79
22.1 Complaints	79
22.2 Informal Review For Applicant	79
22.3 Informal Hearings For Participants	80
22.4 Informal Hearing/Review Procedures	81
23. Termination Of The Lease And Contract	83
24. Choice-Mobility Rights	85
25. Operating Reserve Expenditures	85

26. Operating Expenditures	86
27. Non-sufficient Fund Charge	86
28. KCDC-Owned Housing	86
29. Employee Code Of Conduct	86
30. Document Authority	86
31. KCDC Section 8 Rental Assistance Department Landlord Reimbursement Policy	86
32. Project Based Voucher Property On-site waiting list plans	88
GLOSSARY	135
APPENDIX	143

SECTION 8 ADMINISTRATIVE PLAN

The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and KCDC policy. The Plan covers both admission and continued occupancy for KCDC's Section 8 Programs. KCDC is presently authorized to provide Section 8 Rental Assistance in Knoxville, Tennessee.

1. Equal Opportunity

1.1 Fair Housing/Nondiscrimination

It is the policy of Knoxville's Community Development Corporation (KCDC) to comply fully with all federal, state, and local nondiscrimination laws; the Americans with Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

KCDC will administer the Section 8 Rental Assistance Programs in accordance with the nondiscrimination and fair housing requirements set forth in 24 CFR, part 5, including the prohibition on inquiries regarding sexual orientation or gender identity set forth in 24 CFR, 5.105(a) (2) and the affirmative fair housing marketing requirements in 24 CFR, part 200, subpart M and 24 CFR part 1.

No person shall, on the grounds of creed, race, color, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under KCDC's Section 8 Rental Assistance Programs. Accommodations in the application process will be made for individuals who have a disability. Accessibility for the hearing impaired is provided by the Tennessee Relay System.

To further its commitment to full compliance with applicable civil rights laws, KCDC will provide federal/state/local information to applicants for, and participants in, the Section 8 Rental Assistance Programs regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing information and Discrimination Complaint Forms will be made available at the KCDC office. In addition, all appropriate written information and advertisements will contain the applicable Equal Opportunity language and logo.

1.2 Reasonable Accommodation

Sometimes people with disabilities may need a reasonable accommodation to take full advantage of KCDC's housing programs and related services. According to Title II of the Americans with Disabilities Act (ADA), a reasonable accommodation will be provided for disabled persons if a medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability verifies the disability and if the request has a direct relationship to the disability, unless KCDC can demonstrate it would result in a fundamental alteration in the nature of the program, activity or undue financial and administrative burdens. Persons requesting a reasonable accommodation may make a reasonable accommodation request in any format so long as the participant or applicant makes clear that he/she is requesting an exception, change, or adjustment to a rule, policy, practice or service because of his/her disability. The Fair Housing Act does not require that a request be made in a particular manner or at a particular time. Although a reasonable accommodation request can be made orally or in writing, it is usually helpful for both the participant and KCDC if the request is made in writing. KCDC will give appropriate consideration to a reasonable accommodation request even if the requester makes the request orally or does not use KCDC's preferred forms or procedures for making such request. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability; rather, the accommodation would make the unit accessible and usable by the person with a disability. Because disabilities are not always apparent, KCDC will inform applicants/residents of the opportunity to request a reasonable accommodation.

The applicant or participant will make their request to the Rental Assistance office. The Rental Assistance office will send the request to the KCDC ADA Coordinator for processing. The ADA Coordinator will forward the request to the medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability. Once the request has been returned to KCDC, the Coordinator will notify the participant/applicant in writing and allow an opportunity to dispute (if applicable) the decision within ten (10) days from the date of the denial letter.

If the participant requests (as a reasonable accommodation) that he or she be permitted to make physical modifications to their dwelling unit (at their own expense), the request should be made to the property owner/manager. KCDC does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible.

Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

1.3 Services For Non-English Speaking Applicants And Participants

KCDC will endeavor to have bilingual staff or access to people who speak languages other than English to assist non-English speaking or limited English proficient (LEP) persons. In determining whether it is feasible to provide translation of documents written in English into other languages, the HA will consider the number or proportion of applicants eligible to be served or participants in the jurisdiction who do not speak English (or LEP persons) and speak the other language and the estimated cost to the HA per client. The HA will refer to census data to determine the number or percentage of the population eligible to be serviced for each limited English proficiency (LEP) language group.

1.4 Family/Owner Outreach

KCDC will publicize the availability and nature of the Section 8 Housing Choice Voucher Program for extremely low-income, very low, and low-income families in the local newspaper, minority media, and by other suitable means. Written announcements of program availability, along with housing eligibility factors and guidelines, will be sent to social service providers and other agencies in the community so proper referral of their clients can be made to the program. KCDC will also try to utilize public service announcements.

To deconcentrate poverty and expand housing and economic opportunities KCDC will encourage families to seek housing outside the areas of low income and minority concentration. Maps are included in the Briefing Packet that show areas with housing opportunities outside areas of low income and minority concentration within KCDC's jurisdiction and neighboring jurisdictions. The areas that have Low Income census tracts and Minority concentration census tracts are: 8, 14, 17, 19, 20, 21, 29, 32, 67, 68, 69, and 70. All other census tracts are areas outside minority and low income concentration.

Outreach in the community for property owners participating in the Section 8 Housing Choice Voucher Program will be achieved through brochures, news media, group meetings, and personal contact. An "Interested Owners" information packet compiled by KCDC is available to prospective owners. Emphasis will be placed on securing owners with properties outside areas of low income and minority concentration or racial concentration. The information packet will:

- A. Explain the program;
- B. Explain how the program benefits owners; and
- C. Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways KCDC helps owners screen more effectively.

To help Section 8 participants find accessible units, KCDC will provide an Internet Web Based Program and toll free telephone number that provides a list of available properties or other properties including other subsidized housing known to KCDC that may be available to lease to the family or who may help the family find a unit. The information regarding the Internet Web Based Program or toll free phone number is provided at Section 8 briefings and available in the lobby of the Section 8 department. Units that are handicapped accessible are indicated as such on the Internet Web Based resource list. If a tenant or prospective tenant cannot locate a unit using the Internet Web Based list provided or need help finding a unit that is handicapped accessible, they will be referred to other community agencies.

1.5 Right To Privacy

All adult members of both applicant and participant households are required to sign HUD form 9886, Authorization for Release of Information and Privacy Act Notice. The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement. Any request for applicant or participant information will be released unless there is a signed release of information request from the applicant or participant. Failure to sign the 9886 HUD form by applicant or participant will result in termination of assistance or denial of admission.

1.6 Required Postings

KCDC will post in the Rental Assistance office in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. The Section 8 Administrative Plan (located at Receptionist desk)
- B. Notice of the status of the waiting list (open or closed)
- C. Address of all KCDC offices, office hours, and telephone numbers
- D. Income Limits for Admission

- E. Informal Review and Informal Hearing Procedures (in Administrative Plan)
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

2. KCDC/Owner Responsibility/Obligation Of The Family

This Section outlines the responsibilities and obligations of KCDC, the Section 8 Owners/Landlords, and the participating families. Also, the responsibilities and obligations of the Owners/Landlords and participating families are in the briefing packet.

2.1 KCDC Responsibilities

- A. KCDC will comply with the consolidated ACC, the KCDC Section 8 Program Administrative Plan, HUD regulations and other requirements.
- B. In administrating the program, KCDC will:
 1. Publish and disseminate information about the availability and nature of housing assistance under the program;
 2. Explain the program to owners and families;
 3. Seek expanded opportunities for assisted families to locate housing outside areas of low income and minority concentration;
 4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of low income and minority concentration. KCDC will provide maps that show various areas and information about facilities and services outside areas of low income and minority concentration within KCDC jurisdiction and in other neighboring jurisdictions. These will be distributed during family briefings. KCDC will make available an Internet Web Based Program that provides lists with owner names who accept rental assistance in non-concentrated areas. A toll free telephone number will also be provided. KCDC will also distribute a list of neighboring housing agencies with names, addresses, and phone numbers;
 5. Affirmatively further fair housing goals and comply with equal opportunity requirements;
 6. Make efforts to help persons with disabilities find satisfactory housing;
 7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher (if applicable) to each selected family, and provide housing information to families selected;
 8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
 9. Obtain and verify evidence of citizenship and eligible immigration status according to 24 CFR Part 5;
 10. Review the family's Request for Tenancy Approval and the owner/landlord lease, including the HUD prescribed tenancy addendum;
 11. Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy. A unit must be available for inspection within thirty (30) days from the date of submitted Request for Tenancy Approval. Once inspected, the unit must pass inspection within thirty (30) days;
 12. Determine the amount of the housing assistance payment for a family;
 13. Determine the maximum rent to the owner and whether the rent is reasonable;
 14. Make timely housing assistance payments to an owner according to the HAP contract;
 15. Examine family income, size, and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
 16. Adjust KCDC utility allowances annually when applicable.
 17. Administer and enforce the Housing Assistance Payments Contract with an owner, including taking appropriate action as determined by KCDC, if the owner defaults;
 18. Determine whether to terminate assistance to a participant family for violation of family obligations;

19. Conduct informal reviews of certain KCDC decisions concerning applicants for participation in the program;
20. Conduct informal hearings on certain KCDC decisions concerning participant families;
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audit;
22. Administer the mandatory FSS program.

2.2 Owner Responsibilities

This Section states the obligations of an owner participating in the program.

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
 1. Performing all management and rental functions for the assisted unit, including selecting a tenant/family to lease the unit, and deciding if the family is suitable for tenancy of the unit.
 2. Maintaining the unit according to HQS or NSPIRE if applicable, including performance of ordinary and extraordinary maintenance.
 3. Complying with equal opportunity requirements.
 4. Providing information regarding direct deposit to bank; warranty deed or tax notice; Tax Identification Number and state issued picture id or Social Security Number.
 5. Preparing and furnishing to KCDC information required under the HAP contract.
 6. Collecting from the family:
 - a. Any security deposit required under the lease.
 - b. The tenant's contribution (the part of rent to owner not covered by the housing assistance payment).
 - c. Any charges for unit damage by the family.
 7. Enforcing tenant obligations under the lease.
 8. Paying for utilities and services (unless paid by the family under the lease).
 9. Providing property tax information to KCDC for unit to be leased. An owner cannot owe on property taxes, fine or assessments. A one year grace period will be permitted. (Example: owner may owe on current taxes but not over one year in delinquent taxes).
- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.
- D. The owner is responsible for notifying KCDC sixty (60) days prior to any rent increase. Only one increase per year will be permitted. KCDC reserves the right to only allow an increase of 5% if there is insufficient funding at time of increase request. Insufficient funding is determined when all of the Housing Choice Voucher budget authority has been depleted as well as any HAP reserves for housing assistance payments. If there is sufficient funding at the time the owner request an annual rent increase, a rent increase of up to 20% of the contract rent may be considered.
- E. The owner is responsible for notifying KCDC simultaneous with tenant notification when an eviction, non-renewal of lease or foreclosure occurs.
- F. The owner may not issue an eviction or non-renewal of the lease to the assisted family for the purpose of re-leasing the same unit to that family at a higher contract rent. Any adjustment to the contract rent must be processed in accordance with the terms of the current lease agreement and all applicable program rules and requirements.

2.3 Obligations Of The Participant

This Section states the obligations of a participant family under the program.

- A. Supplying required information:

1. The family must supply any information that KCDC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release, or other documentation.
2. The family must supply any information requested by KCDC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition according to HUD requirements.
3. The family must disclose and verify Social Security numbers and must sign and submit consent forms for obtaining information.
4. Any information supplied by the family must be true and complete.

B. HQS or NSPIRE if applicable, breach caused by the Family:

The family is responsible for any HQS or NSPIRE if applicable, breach caused by the family or its guests.

C. Allowing KCDC inspection:

The family must allow KCDC to inspect the unit at reasonable times and after at least two (2) days notice. If the family misses the scheduled inspection and fails to reschedule the inspection, KCDC will consider the family to have violated a Family Obligation and their assistance may be terminated. KCDC reserves the right to charge a missed appointment fee. If the family calls to dispute the termination, one more chance will be given and the family will be obligated to sign a statement of understanding stating if they ever miss another appointment for inspection, they may lose their assistance.

D. Violation of Lease:

A family who causes \$500 in damages to a unit or commits serious or repeated violations of the lease may be terminated from KCDC's Section 8 Housing Choice Voucher Program(s) and may be ineligible for KCDC assisted housing for three years from the date of termination. After three years, the family must demonstrate they have lived in the community without damaging property or eviction for serious or repeated violations of a lease to establish eligibility for KCDC assisted housing.

The proof of the \$500 damages will be derived from court documentation provided by the property owner. The damage documentation must be provided within 30 days of move-out. During court negotiations, the family's assistance may not be terminated. After the final outcome is determined and it is determined the family owes more than \$500 in damages, the family assistance may be terminated.

If the family receives an agreement through the court procedure to repay the owner for damages, the family assistance may not be terminated. If the family defaults on the repay agreement through the courts and the owner provides documentation within 30 days the assistance may be terminated at that time. If there are no court negotiations necessary to determine damages and the family and owner negotiate a repay agreement, the family assistance may not be terminated; however, if the family defaults and the owner can provide documentation of default, the family assistance may terminate at that time. The owner is required to supply KCDC with a copy of the court judgment within 30 days of the date awarded.

A family who is evicted through court procedures for non-payment of rent or other serious or repeated violations of the lease may be terminated from the program. However, if the family who is evicted through court procedures receives an agreement through court procedures to repay the owner for rent, or the court procedure is dismissed, the family assistance may not be terminated through KCDC. If the family defaults on the repay agreement through the courts and the owner provides documentation within 30 days of the default, the assistance may be terminated at that time. The family may be ineligible for three years, to establish eligibility for KCDC assisted housing; the family must demonstrate they have lived in the community without eviction for non-payment of rent or other serious or repeated violations of the lease. Per HUD regulations, all housing terminations and debts owed will be added in the Debts Owed and Termination section of Enterprise Income Verification (EIV) system.

At each leasing and recertification each year, families will be asked to sign a statement of understanding regarding damages, non-payment of rent, and other serious or repeated violations of the lease.

E. Family Notice of Move or Lease Termination:

The family must notify KCDC and the owner before the family moves out of the unit or terminates the lease by a notice to the owner. When KCDC receives a 30-day notice, if the notice was received on the first day of the month the notice will end the last day of that month. If the notice is signed after the first day of the month the notice will end the last day of the next month. The family may not submit a 30-day notice for the purpose of re-renting their current assisted unit at a higher contract rent. Any changes to the contract rent must be processed in accordance with the terms of the existing lease and applicable program requirements.

F. Owner Eviction Notice

The family must promptly give KCDC a copy of any owner eviction notice they receive. Owner must provide a Police report for a three day eviction notice.

G. Use and Occupancy of the Unit:

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.
2. KCDC must approve the composition of the assisted family residing in the unit. The family must promptly inform KCDC of the birth, adoption or court-awarded custody of a child. The family must request approval from KCDC to add any other family member (family is defined as a group of people related by blood, marriage, adoption, or affinity that live together in a stable family relationship) as an occupant of the unit. No other person except members of the assisted family, foster child/foster adult, or live-in aide (if approved by KCDC) may reside in the unit.

In order for a child to be considered a dependent member of a household, the child must be living, at least fifty-one (51%) percent of the time, with the parent applying for or receiving assistance.

- a. Fifty-one percent is defined as at least one hundred eighty-three (183) days of the year and the days do not have to run consecutively.
 - b. Only one parent may claim a child under any of the HUD housing programs at one time, even if both parents are seeking or receiving assistance and share joint custody. Therefore, if both parents are trying to claim a child and the 51% rule cannot be determined, the parent whose address is listed in the school or other official record will be allowed to claim the child.
 - c. Children subject to a joint custody agreement that live with both parents an equal percent of time, will be considered members of applicant or participant households as long as the other parent is not applying or receiving assistance under any HUD housing program.
3. The family must promptly notify KCDC if any family member no longer resides in the unit.
 4. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must have approval of the owner, comply with zoning requirements, and the affected household member must obtain all appropriate licenses.
 5. The family must not sublease the unit.
 6. The family must not assign the lease or transfer the unit.

H. Absence from the Unit:

The family must supply any information or certification requested by KCDC to verify that the family is living in the unit, or relating to family absence from the unit, including any KCDC requested information or certification on the purposes of family absences. The family must cooperate with KCDC for this purpose. The family must promptly notify KCDC of its absence from the unit for more than seven (7) days.

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must request permission from KCDC for absences exceeding 30 days. KCDC will make a determination within five (5) business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

Authorized absences may include, but are not limited to:

1. Prolonged hospitalization
2. Absences beyond the control of the family (i.e., death in the family, other family member illness)
3. Other absences that are deemed necessary by KCDC
4. Military personnel being deployed

I. Interest in the Unit:

The family may not own nor have any interests in the unit (except for owners of manufactured housing renting the manufactured home space).

J. Fraud and Other Program Violations:

The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.

K. Crime by Family Members:

The members of the family may not engage in drug-related or violent criminal activity.

L. Other Housing Assistance:

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state, or local housing assistance program.

3. Project-Based Voucher Program

This Section outlines KCDC's policies for administration of its Project-Based Voucher (PBV) Program. In the PBV Program, rental assistance is paid by KCDC for families who live in specific rental units, subject to compliance with the PBV Program.

KCDC may project base up to 50 percent of its authorized voucher units. An additional 10 percent may be project based if units are serving homeless, veterans, (A veteran is defined as a person who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable), provide supportive housing for elderly or disabled or located in areas where vouchers are difficult to use. An area where a voucher is difficult to use is described as:

- A. A zip code area where the rental vacancy rate is less than 4 percent; or
- B. A zip code area where 90 percent of the Small Area FMR is more than 110 percent of the metropolitan area FMR. A veteran is defined as a person who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable.

3.1 Submission And Selection Of PBV Proposals

- A. KCDC selects PBV proposals for project basing vouchers that promote and enhance the development and /or maintenance of an adequate supply of safe, decent and affordable housing that assure, where applicable, that persons who are chronically homeless (as defined in the Knoxville/Knox County Ten year plan to End Chronic Homelessness) with supportive service needs have access to appropriate services and accessible housing options, consistent with HUD's site selection regulations. KCDC may utilize Project Based Vouchers if the appropriate opportunity should arise, to include selecting PBV proposals for project basing vouchers not connected with chronically homeless. KCDC may utilize Project Based Vouchers if it so chooses for units that it owns, controls or manages.
- B. KCDC will select PBV proposals in accordance with 24 CFR Section 983.51 pursuant to one or both of the following methods.
 - 1. KCDC may request PBV proposals as provided in 24 CFR Section 983.51(b) (1). This selection method will not limit the proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites. In the event KCDC uses this method to select PBV proposals, KCDC may include posting on KCDC's website at www.KCDC.org, newspaper publication, dissemination of program guides, and other means of notice, and will provide detailed application and selection information upon request.
 - 2. KCDC may request PBV proposals as provided in 24 CFR Section 983.51(b) (2). This selection method is limited to proposals for housing assisted under a federal, state or local governmental housing assistance program that funds proposals based on competitive selection requirements. In the event KCDC uses this method to select PBV proposals, the selected proposal must have received competitive funding within three years of the PBV proposal selection date and the earlier competitive selection did not involve any consideration that the projects would receive PBV assistance.

KCDC will not enter into an Agreement to Enter Into a HAP Contract or a HAP contract for any new or rehabbed housing until HUD or an independent entity approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy requirements. A subsidy layering review is not required for Existing Housing. An environmental review must be conducted before any New, Rehabbed or Existing Housing will be approved for project based vouchers. Existing housing is exempt only if the project has previously received federal assistance and has undergone a federal environmental review under the applicable federal program. The owner must provide KCDC with a certification that the project has not received and will not receive (before or during the term of the HAP contract), any public assistance for acquisition, development, or operation of the housing other than the assistance disclosed in the subsidy layering review.

C. KCDC will follow regulations at 24CFR 983.57 for Site Selection Standards for Existing, Rehabilitation and New Construction PBV units.

D. Types of Project -Based Voucher Housing :

1. New Construction: Housing Units that do not exist on the proposal selection date and are developed after the date of selection for use under the PBV program.
2. Rehabilitated Housing: Housing units that exist on the proposal selection date, but do not substantially comply with the HQS on that date, and are developed for use under the PBV program.
3. Existing housing: Housing in which all the proposed PBV units either fully comply or substantially comply with the HQS or NSPIRE if applicable, on the proposal selection date. (The units must comply with the initial pre-HAP inspection requirements in accordance with § 983.103(b) and (c) before execution of the HAP contract.) A unit substantially complies with the HQS or NSPIRE if applicable, if it has HQS or NSPIRE if applicable, deficiencies that require only minor repairs to correct (repairs that are minor in nature and could reasonably be expected to be completed within 48 hours of notification of the deficiency.) To qualify as existing housing, the project is ready to be placed under HAP contract with minimal delay - after the unit inspections are complete, all proposed PBV units not meeting HQS or NSPIRE if applicable, can be brought into compliance to allow PBV HAP contract execution within 48 hours.

3.2 Cap On Number Of PBV Units In Each Building

- A. In accordance with 24 CFR Section 983.54 the project cap is the greater of 25 units or 25 percent of units (assisted or unassisted) in the project. This means that a project with 25 or fewer units may be fully assisted with project-based vouchers, provided all other requirements are met.
- B. KCDC may provide PBV assistance to the greater of 25 units or 40 percent of the number of dwelling units (assisted or unassisted) in the project if:
 1. The project is located in a census tract with a poverty rate of 20 percent or less, as determined by HUD, or
 2. The project is located in an area where vouchers are difficult to use (see page 13 for description).

3.3 Set-Aside Of Excepted Units For Qualifying Families

A. Qualifying Families:

KCDC May set aside one or more excepted units in buildings receiving PBV assistance for occupancy by qualifying families. A qualifying family may be an Elderly Family, or a Disabled Family, Disabled is no longer a qualified exception for purposes of Excepted unit qualifications. (for projects before 10-30-2017) or a family receiving Qualifying Supportive Services. For Excepted units in a PBV contract signed after 10-30-2017, the project must make supportive services available to all assisted families in the project and the family must be eligible for one or more of the services. The family may, but is not required to participate in the services.

B. Supportive Service Requirements:

1. In the event KCDC sets aside one or more excepted units in a qualifying building receiving PBV assistance for occupancy by a Qualifying Family, KCDC will require that services targeted to the needs of the Qualifying Family be provided on a regular basis by qualified providers. At least one qualified case manager must be located onsite or partner with a social service organization to provide at least twenty (20) hours per week of dedicated on-site case management services to residents. A qualified provider must be available to respond to emergency supportive services needs twenty-four hours per day, seven days per week. This requirement can be met through a partnership with another organization. For PBV contracts signed after 10-30-2017, the supportive services do not need to be provided by the owner or on-site, but the services must be reasonably available to the families receiving PBV assistance in the project and designed to help the families in the project achieve self-sufficiency or live in the community as independently as possible.
2. If a family occupying an excepted unit set aside for Qualifying Families no longer meets the definition of Qualifying Family, KCDC will terminate rental assistance for the family, including all remaining family members, and the family will be required to vacate the excepted unit within the time established by KCDC. For PBV contracts signed after 10-30-2017 a tenant will not be terminated when they no longer qualify for the excepted unit, the unit will be removed from the PBV contract and the family will receive a tenant based voucher. Once the family has moved, the PBV unit will be added back to the contract for a new family that qualifies for supportive services.

C. Other Units Excepted from the Program Cap and Project Cap:

For HAP Contracts entered into on or after April 18, 2017, KCDC may commit project -based assistance to units that meet the requirement for exclusion without the units counting against the program cap or project cap. Units covered by a PBV HAP contract will not count toward the project cap or program cap:

1. Requirement for exclusion of existing or rehabilitated units.

Such units must, in the 5 years prior to the request for proposals (RFP) or selection without competition or selection based on a prior competition, fall into one of the following categories:

- a. The units have received one of the following forms of HUD assistance:
 - i. Public Housing Capital or Operating Funds (section 9 of the 1937 Act).
 - ii. Project-Based Rental Assistance (section 8 of the 1937 Act). Project-based rental assistance under section 8 includes the single-room occupancy (SRO) program.
 - iii. Housing For the Elderly (section 202 of the Housing Act of 1959).
 - iv. Housing for Persons With Disabilities (section 811 of the Cranston-Gonzalez National Affordable Housing Act).
 - v. The Rent Supplement (Rent Supp) program (section 101 of the Housing and Urban Development Act of 1965).
 - vi. Rental Assistance Program (RAP) (section 236(f)(2) of the National Housing Act).
 - vii. Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments Act of 1978).
- b. The units have been subject to a federally required rent restriction under one of the following programs:
 - i. The Low Income Housing Tax Credit program (26 U.S.C. 42)
 - ii. Section 515 Rural Rental Housing Loans (42 U.S.C. 1485)
 - iii. The following HUD programs: (A) Section 236. (B) Section 221(d)(3) or (d)(4) Below Market Interest Rate.
 - iv. Housing For the Elderly (section 202 of the Housing Act of 1959).
 - v. Housing for Persons With Disabilities (section 811 of the Cranston-Gonzalez National Affordable Housing Act).
 - vi. Flexible Subsidy Program (section 201 of the Housing and Community Development Amendments Act of 1978).

2. Other Excluded Units.

PBV units pursuant to a conversion of public housing assistance under HUD's Rental Assistance Demonstration (RAD) program and HUD-VASH awarded vouchers specifically designated by HUD for project-based assistance are excluded from the PBV program and project caps.

3. Replacement/Newly constructed Units

Newly constructed units developed under the PBV program may be excluded from the program cap and project cap provided the primary purpose of the newly constructed units is or was to replace units that meet the criteria of paragraph (1) or (2) of this section. The newly constructed unit must be located on the same site as the unit it is replacing; however, an expansion of or modification to the prior project's site boundaries as a result of the design of new construction project is acceptable as long as a majority of the replacement units are built back on the site of the original public housing development and any replacement units that are not located on the existing site are part of a project that shares a common border with, are across a public right of way from, or touch that site. In addition, in order for the replacement units to be excluded from the program and project caps, one of the following must be true:

- i. Former residents of the original project must be provided with a selection preference that provides the residents with the right of first occupancy at the PBV new construction project when it is ready for occupancy.
- ii. Prior to the demolition of the original project, the PBV new construction project must have been identified as replacement housing for that original project as part of a documented plan for the redevelopment of the site.

4. Unit size configuration and number of units for new construction and rehabilitation projects:

The unit size configuration of the PBV new construction or rehabilitation project may differ from the unit size configuration of the original project that the PBV units are replacing. In addition, the total number of PBV-assisted units may differ from the number of units in the original project. However, only the total number of units in the original project are excepted from the program limitation and the project cap. Units that exceed the total number of covered units in the original project are subject to the program limitation and the project cap.

3.4 Qualifying Supportive Services

A. In the event KCDC sets aside one or more excepted units in a building receiving PBV assistance for occupancy by families receiving Qualifying Supportive Services, at least one member of the family must receive at least one of the following Qualifying Supportive Services as agreed to in the family responsibility statement (Section 3, 3.4 B). KCDC will not require a Qualifying Family to participate in medical or disability-related services, other than drug and alcohol treatment in the case of current abusers, although the following services must be offered:

1. Case management services
2. Mental health services
3. Medical and Dental care
4. Substance abuse counseling and treatment
5. Household management training, such as housekeeping skills and money management
6. Job training and employment services, such as preparation and counseling, training, job development and placement, follow-up assistance after job placement
7. Education or vocational services, such as literacy courses, vocational training courses to complete secondary or post-secondary school
8. Services pursuant to KCDC's Family Self-Sufficiency Program established and administered pursuant to 24 CFR Part 984.

B. Statement of Family Responsibility

At the time of initial lease execution, a family receiving Qualifying Supportive Services will be required to enter into a statement of family responsibility or other appropriate agreement with KCDC and the supportive service provider. The agreement must establish a minimum period of time of not less than one year in which the family is required to participate in one or more Qualifying Supportive Services and achieve certain goals specified in the agreement.

1. Monitoring:

KCDC will monitor a family's continued receipt of Qualifying Supportive Services on an annual basis. Such monitoring may include agreements with owners and/or service providers that include record keeping and reporting obligations, personal interviews with owners and/or service providers and members of families receiving Qualifying Supportive Services, or other appropriate means of monitoring.

2. Completion of Services Obligation:

If a family receiving Qualifying Supportive Services fails, without good cause, to complete its supportive services obligation, KCDC will terminate rental assistance for the family and the family will be required to vacate the unit within the time established by KCDC and the owner may terminate the family's lease. The unit will continue to count as an excepted unit provided the owner rents the unit to a Qualifying Family. For PBV contracts signed after 10-30-2017 a tenant will not be terminated when they no longer qualify for the excepted unit, the unit will be removed from the PBV contract and the family will receive a tenant based voucher. Once the family has moved, the PBV unit will be added back to the contract for a new family that qualifies for supportive services.

3.5 Waiting List

A. Maintenance of Waiting List:

KCDC permits an owner to maintain a single waiting list across multiple Project-based voucher projects owned by the owner. A waiting list for occupancy of a unit assisted under the PBV Program will be maintained by owner-maintained waiting lists for projects receiving PBV assistance. The applicant may apply directly at the project or on the property's online website depending on the owners preferred method of maintaining a waiting list, or the applicant may request that KCDC refer the applicant to the owner for placement on the project's waiting list. KCDC must disclose to the applicant all the PBV projects available to the applicant, including the project's contact information and other basic information about the project.

Under an owner-maintained waiting list, the owner is responsible for carrying out responsibilities including, but not limited to, processing changes in applicant information, removing an applicant's name from the waiting list, opening and closing the waiting list. Owners can notify the applicants by the same means they use when opening their regular waiting list

under 24CFR982.206 (a) such as advertising through local or minority newspapers and the internet, local postings at post offices, libraries, community centers and outreach to social service agencies that may serve the same clientele that will be occupying the PBV unit. An applicant may choose to be simultaneously listed on the owner's PBV waiting list as well as the KCDC tenant-based waiting list if eligible. Section 9 and 10 of this Administrative Plan also applies to managing the waiting list. Applicants who are already on KCDC's waiting list must be permitted to place their names on the project's waiting lists. All HCV waiting list administration requirements that apply to the PBV program apply to owner-maintained waiting lists.

B. Selection of Applicants from Waiting List:

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and approved by KCDC.

Once an owner selects the family from the waiting list, the owner refers the family to KCDC who then determines the family's final program eligibility. The owner may not offer a unit to the family until KCDC determines that the family is eligible for the program.

Once the applicant is given a referral form by the owner, the referral form is taken to the KCDC Rental Assistance office to apply for a KCDC Section 8 Project Based Voucher. The family is required to complete an application at the Rental Assistance office Monday – Friday 8:00 a.m. – 4:00 p.m. With a referral form, a family will be required to update their information with KCDC by providing information regarding household members including name, address, telephone numbers, social security numbers, picture identification for all adult members, birth certificates, racial or ethnic designation, income verification, citizenship/eligible immigration for all members, bank information if applicable. The family must sign the Authorization to Release Records and Information and HUD's Authorization for the Release of Information/Privacy Act Notice forms. Upon receipt of the family's application, KCDC will make a preliminary determination of eligibility. KCDC will ensure that verifications, eligibility, and suitability selection factors are current to determine the family's final eligibility for admission into a Section 8 project-based voucher property. Applications are sorted based on date and time of application.

Subject to HUD's PBV regulations intended to minimize displacement of eligible families already residing in a unit selected for PBV assistance, selection of applicants from the waiting list to occupy PBV-assisted units will be by date and time of application.

- C. KCDC permits a No-Trespass List (NTL) Override for Project-Based Voucher Permanent Supportive Housing (PSH) Program applicants. PSH staff are required to submit the form to KCDC requesting an override. The form overrides the current NTL designation to allow an applicant to become a participant of the Project-Based Voucher with Permanent Supportive Housing Program (PSH) only. The completion of this Override form does not remove someone from the NTL.
- D. KCDC is responsible for oversight of owner-maintained waiting lists to ensure that they are administered properly and in accordance with program requirements, including but not limited to nondiscrimination and equal opportunity requirements under the authorities cited at 24 CFR 5.105(a). The owner is responsible for maintaining complete and accurate records as described in 24 CFR 982.158. The owner must give KCDC, HUD, and the Comptroller General full and free access to its offices and records concerning waiting list management.

3.6 HAP Contract Between KCDC And PBV Property Owner

In the absence of a current HAP Contract from HUD at the initial signing of a contract, an addendum will be created to address any updated regulations (ie. HOTMA regulations) not currently listed in the contract. The addendum will become a part of the Initial Contract.

A. Term of HAP Contract

KCDC may enter into a HAP contract with a PBV owner for an initial term of 10-20 years subject to funding availability pursuant to 24 CFR Section 983.205

B. Extension of HAP Contract

Within one year before expiration, KCDC may agree to extend the term of the HAP contract for an additional term of up to 20 years, subject to funding availability.

C. Termination of HAP Contract

1. Termination by KCDC

KCDC may terminate the HAP contract due to insufficient funds pursuant to 24 CFR Section 983.205.

2. Termination by PBV Property Owner

The owner may terminate the HAP contract due to reduction below initial rent pursuant to 24 CFR Section 983.205.

D. Contract rents

1. Initial Contract rents will be determined by following HUD regulations at 24CFR983.301 and 24CFR983.302 when determining and re-determining rents.
2. KCDC may adopt, with HUD notification, Small Area Fair Market Rent (SAFMR) Exception Payment Standards by zip code area if deemed beneficial for the success of KCDC program participants locating affordable housing. Effective October 1, 2024, HUD will require KCDC to implement SAFMR's for all zip code areas. As a Moving to Work (MTW) flexibility, KCDC requested a waiver to forgo the implementation of mandatory SAFMR's for all zip code areas. The waiver was approved and KCDC will use payment standards and optional SAMFR zip code areas.
3. KCDC will use the same utility allowance schedule for PBV as it does for the tenant based voucher program.
4. KCDC has discretionary authority to check the box within the HAP contract to not decrease rents below the initial contract rents.

E. Security Deposits

1. KCDC prohibits security deposits in excess of amounts charged to unassisted tenants. When the tenant moves out of the contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the law.
2. The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.
3. If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. KCDC has no liability or responsibility for payment of any amount owed by the family to the owner.

F. Rent Increases

1. An owner's request for a rent increase must be submitted to KCDC 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing. All increases will not exceed more than 20% of the contract rent. KCDC will provide the owner with at least 30 days written notice of any change in the amount of rent to the owner.
2. For KCDC owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP Contract are determined by the independent entity approved by HUD. KCDC must use the rent to owner established by the independent entity. Also the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for the KCDC owned units to KCDC and to the HUD field office where the project is located

G. Development Activity on Units Under HAP Contract:

If an Owner request to undertake development activity on units under a HAP contract, the owner may undertake development activity on units currently under a HAP contract once approved to do so by KCDC. The owner may not request, and a KCDC may not approve, the owner's request within the first five years of the effective date of the HAP contract except in extraordinary circumstances (e.g., the units were damaged by fire, natural disaster, etc.). The owner's request must include a description of the development activity proposed to be undertaken and the length of time, if any, it is anticipated that the units will not meet HQS. If any of the units will not meet Housing Quality Standards during the period of the development activity, the owner's request must include a description of how the families will be rehoused during the period the units will not meet Housing Quality Standards. Housing assistance payments may not be made during the time the units are not in compliance with Housing Quality Standards requirements during the development activity. KCDC may choose to temporarily remove units from the PBV HAP contract during the time the units will not meet Housing Quality Standards during the development activity. KCDC may from time to time, exercise the discretion afforded to PHA's under Section 983.154 (f) where the PHA may sign an AHAP or HAP (as applicable) for projects after the new construction or rehabilitation work has already started so long as it meets the applicable requirements of 983.153.

3.7 Overcrowded, Under-Occupied And Accessible Units

KCDC's subsidy standards determine the appropriate unit size based on family size and composition. If KCDC finds that a family is occupying a wrong-sized unit, or a unit with accessibility features they do not require but that a different family does need, KCDC will promptly notify the family and the owner of this determination and inform the family of the opportunity to receive continued housing assistance in another unit in the same complex or public housing if available, or other comparable assistance. KCDC must offer continued assistance using a form of assistance allowable under 24 CFR 983.260(b) and must not offer continued assistance using a program that is not comparable (the tenant-based assistance program that cannot be used in any other PHA's jurisdiction). The family will have 90 days to accept the PHA's offer of continued assistance or move-out from the Project Based Voucher unit.

3.8 Family Right To Move:

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to KCDC. If the family wishes to move with continued tenant based assistance, the family would have to reside in the PBV unit for 2 years to be eligible for continued assistance.

If the family terminates the lease after two years in accordance with these requirements, KCDC is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant based rental assistance. If a voucher or other comparable tenant based assistance is not immediately available upon termination of the family's lease in the PBV unit, KCDC must give the family priority to receive the next available opportunity for continued tenant based assistance.

3.9 Vacancy Payments

If a family moves out of a Project Based Voucher unit, KCDC can make payments for the empty unit. This payment is called a vacancy payment. If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month the family moves out of the unit unless KCDC determines the owner is at fault for the vacancy. KCDC will begin vacancy the first of the next month after the family moves out of the unit. The vacancy period will not exceed one full month following the move out month.

The vacancy payment cannot be higher than the monthly rent to owner minus any part of the rental payment the owner already received. This includes amounts available from the security deposit. Any vacancy payment may only cover the period the unit remains vacant.

3.10 Additional Administrative Plan Provisions Applicable To The PBV Program

The following sections of this Administrative Plan also apply to the PBV Program:

Section 1 Equal Opportunity

Section 2 KCDC/Owner Responsibility/Obligation of Family

Section 7 Eligibility for Admission, 4.2, B, C, D, E, F, and I

Section 13 Assignment of Bedroom Sizes (Occupancy Standards)

Section 13 Determination of Family Income

Section 14 Verification

Section 15 Rent and Housing Assistance Payment

Section 16 Inspection Policies and Housing Quality Standards-Note: All units in a single stage project must meet HQS before a PBV Housing Assistance Payment Contract can be executed. All units in the first stage of a multi stage project must meet HQS before a PBV Housing Assistance Payment Contract can be executed.

Section 17 Recertification

Section 18 Termination of Assistance to the Family by KCDC

Section 19 Complaints, Informal Reviews for Applicants, Informal Hearings for Participants

3.11 Special Housing Types Applicable To The PBV Program

Special housing types that are eligible to be assisted under the PBV program are single room occupancy units, congregate housing, group homes and cooperative housing. These units are subject to the same inspection requirements and exceptions as any other PBV units. Of the special housing types, shared housing, manufactured home space rentals and the homeownership option are ineligible to be assisted under the PBV program. Under 24CFR983.53 it states PBV assistance cannot be attached to Transitional Housing, however there is a HUD waiver process for requesting a waiver to that regulation. If a Transitional housing project that is otherwise competitive under an RFP and also offers housing opportunities for residents of at least two years, KCDC would consider submitting a waiver request to HUD to waive the prohibition.

3.12 Supportive Housing (VASH) Project Based Vouchers, Family Unification Program (FUP) Project Based Vouchers, and Mainstream (MS) Project Based Vouchers

Through HOTMA provision section 106(a)(9) KCDC is authorized to project-base Veterans Affairs Supportive Housing (VASH) vouchers, Family Unification Program (FUP) vouchers, and Mainstream vouchers without requiring additional HUD approval. HUD has determined that no modifications are needed to 24 CFR part 983 to codify these statutory changes. Any VASH vouchers, FUP vouchers, and Mainstream vouchers project-based pursuant to this authority must comply with the requirements of 24 CFR part 983.

4. VETERAN'S ADMINISTRATIVE SUPPORTIVE HOUSING (HUD-VASH)

HUD-VASH is a collaborative program that pairs HUD's Housing Choice Voucher (HCV) rental assistance with VA case management and supportive services. KCDC is allocated HUD-VASH vouchers to serve homeless veterans in partnership with the Veterans Administration. KCDC will administer the HUD-VASH vouchers, in compliance with Federal Regulations and this Administrative Plan. KCDC reserves the right to continue to administer VASH vouchers, dependent on available and adequate HUD funding, including the right to project-base.

A. Eligibility and Selection

HUD-VASH eligible families are homeless veterans. Veteran Affairs (VA) screens all families in accordance with its screening criteria. Specifically, under the HUD-VASH Program, KCDC does not have the authority to screen potentially eligible families or deny assistance for any grounds permitted under 24 C.F.R. 982.552 (broad denial for violations of HCV program requirements) and 982.553 (specific denial for criminals and alcohol abusers), with one exception. PHAs will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

B. Income Eligibility

KCDC must determine income eligibility for HUD-VASH families in accordance with 24 C.F.R. 982.201.

C. Initial Term

HUD-VASH vouchers have an initial search term of at least 120 days.

D. Portability of HUD-VASH Vouchers

An eligible family issued a HUD-VASH voucher must receive case management services provided by the VA. Therefore, special portability procedures must be established. HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VA.

E. Portability within Initial VA's area

The family must be able to continue with case management services provided by the VA to port the voucher. The receiving PHA must process the move in accordance with portability procedures. If the receiving PHA administers a HUD-VASH program, it can either bill the initial PHA or absorb the family. If the receiving PHA does not administer a VASH program, it must bill the initial PHA.

F. Portability outside of the Initial VA's area

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VA to provide case management services, the initial VA must determine that the family could be served by another VA that is partnering in the HUD-VASH Program and that the receiving PHA has an available HUD-VASH voucher. The family must be absorbed by the receiving PHA either as a new admission or as a portability move-in. Upon absorption, the initial PHA's HUD-VASH voucher will be available to lease to a new HUD VASH eligible family and the absorbed family will count toward the number of HUD-VASH vouchers awarded to the receiving PHA.

G. Case Management Requirements

1. The VA responsibilities include:
 - a. Screening of homeless veterans to determine whether they meet the HUD-VASH program participation criteria established by the VA national office;
 - b. Providing appropriate treatment and supportive services to potential HUD- VASH program participants, if needed, prior to PHA issuance of rental vouchers;
 - c. Providing housing search assistance to HUD-VASH participants with rental vouchers;
 - d. Identifying the social service and medical needs of HUD-VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout this initiative; and
 - e. Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.
 - f. The HUD-VASH participant must comply with case management requirements administered by the VA. If the participant fails to comply with the case management requirement, the HUD-VASH assistance will be terminated.

H. Denials of Admission and Termination of Assistance

1. Denials

The only reasons for denial of assistance by KCDC are failure to meet the income eligibility requirements and a family member that is subject to a lifetime registration requirement under a state sex offender registration program.

2. Termination of Assistance

VASH clients are no different than regular HCV participants in terms of the requirements of the family obligations. Therefore, the termination policies outlined within this Administrative Plan apply.

5. FAMILY UNIFICATION VOUCHERS (FUP)

KCDC applied for and obtained FUP vouchers in 2018. The definition for the FUP voucher family or youth is:

5.1 FUP-Eligible Family

FUP-Eligible Family is defined as a family that the Department of Children Services (DCS) has certified as a family for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care, or in the delay of discharge of a child, or children, to the family from out-of-home care, and that KCDC has determined is eligible for a Housing Choice Voucher (HCV).

5.2 FUP-Eligible Youth

FUP-Eligible Youth is defined as a youth that DCS has certified to be at least 18 years old and not more than 24 years of age (has not reached their 25th birthday) who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is At Risk of Becoming Homeless at age 16 or older.

5.3 Homeless

Homeless refers to the population included in the definition of this term at 24 CFR 578.3.

5.4 Lack of Adequate Housing

- A. A family or youth is living in dilapidated housing
- B. A family or youth is homeless;
- C. A family or youth is living in an overcrowded unit;
- D. A family or youth is living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care; or

- E. A family or youth is living in housing not accessible to the family's disabled child or children, or to the youth, due to the nature of the disability.

5.5 Living in Overcrowded Housing.

A family or youth is considered to be living in an overcrowded unit if it meets the following separate criteria for a family or youth as follows:

- A. The family is separated from its child (or children) and the parent(s) are living in an otherwise standard housing unit, but, after the family is re-united, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
- B. The family is living with its child (or children) in a unit that is overcrowded for the entire family and this overcrowded condition may result in the imminent placement of its child (or children) in out-of-home care; or
- C. The youth is living in a unit that is overcrowded.

For purposes of the above paragraph, the PHA may determine whether the unit is "overcrowded" in accordance with PHA subsidy standards. (See Subsidy Standards as outlined in this Administrative Plan)

5.6 KCDC's responsibilities under the Family Unification Voucher Program:

- A. Accept families and youth certified by DCS as eligible for the FUP. KCDC, upon receipt of the DCS list of families and youth, must compare the names with those of families and youth already on KCDC's HCV waiting list. Any family or youth on the KCDC's HCV waiting list that matches with the DCS list must be assisted in order of their position on the waiting list in accordance with KCDC admission policies. Any family or youth certified by DCS as eligible and not on the HCV waiting list must be placed on the waiting list (pending HCV eligibility determination). If KCDC has a closed HCV waiting list, it must reopen the waiting list and place on the waiting list a FUP applicant family or youth who is not currently on KCDC's HCV waiting list. KCDC may reopen the waiting list to accept a FUP applicant family or youth without opening the waiting list for other applicants;
- B. Determine if families with children, or youth age 18 through 24 referred by DCS are eligible for HCV assistance.
- C. Determine if any families with children, or youth age 18 through 24 on its HCV waiting list are living in temporary shelters or otherwise meet the definition of homeless and may qualify for the FUP, and refer such applicants to DCS;
- D. Administer the vouchers in accordance with applicable program regulations and requirements;
- E. Comply with the provisions of the Memorandum of Understanding (MOU) signed with all the agencies listed in the MOU;
- F. Train DCS and Continuum of Care (CoC) agencies involved on KCDC's HCV procedures; and
- G. Conduct regular meetings (at least quarterly) with DCS and the CoC agencies involved.

5.7 DCS's Responsibilities as outlined in the Memorandum of Understanding (MOU)

DCS's Responsibilities as outlined in the Memorandum of Understanding (MOU) are listed in (A) through (H) below:

- A. They must establish and implement a system to identify FUP-eligible families and FUP-eligible youth within the agency's caseload and to review referrals from KCDC and the CoC agencies involved. For families, the system should prioritize families with an open case with a substantiated report of child abuse and neglect and whose children are at high risk for out-of-home placement or, for families whose children are already in out-of-home care, at high risk for experiencing additional negative child welfare outcomes (e.g., long-term open cases, reentry to the child welfare system in the form of re-reports of abuse or neglect, and repeat open cases) and where housing assistance could help the parent(s) to stabilize and participate in any other services necessary for subsequent reunification. The MOU clarifies that referrals should be made for priority families as soon as they are identified and not only upon successful completion of other aspects of families' case management plans.
- B. Establish and implement a system to identify FUP-eligible youth not currently within the agency's caseload in cooperation with the CoC agencies involved, including integrating the prioritization and referral process for FUP-eligible youth into the local CoCs' coordinated entry process.
- C. Provide written certification to KCDC that a family qualifies as a FUP-eligible family, or that a youth qualifies as a FUP-eligible youth, based upon the criteria established in Section 8(x) of the United States Housing Act of 1937;

- D. Commit sufficient staff resources to ensure that eligible families and youth are identified and determined eligible in a timely manner. This commitment must include a process to ensure that DCS's active caseload is reviewed at least once a month (when the KCDC has FUP vouchers available) to identify FUP-eligible families and FUP-eligible youth and refer them to the KCDC. Additionally, DCS must be prepared to provide referrals to the KCDC within 30 working days of receiving notification from the PHA about voucher availability;
- E. Commit sufficient staff resources to provide follow-up supportive services after the youth leases a unit, documenting the source of funding for these services. DCS is encouraged to leverage non-federal fund sources such as: State, local, philanthropic, and faith-based organizations;
- F. Comply with the provisions of the MOU;
- G. Train KCDC and CoC agencies involved on DCS's referral procedures; and
- H. Conduct regular meetings (at least quarterly) with KCDC and CoC agencies involved.

5.8 The Continuum of Care Agencies Responsibilities Are Outlined Below:

- A. Integrate the prioritization and referral process for FUP-eligible youth into the local CoC(s)' coordinated entry process;
- B. Identify services, if any, to be provided using CoC program funds to FUP-eligible families and/or youth who qualify for CoC program assistance;
- C. Participate in regular meetings conducted by KCDC and DCS (at least quarterly); and
- D. Comply with the provisions of the MOU.

5.9 The MOU signed by DCS and the COC agencies clearly addresses, at a minimum, the following:

- A. KCDC and DCS's commitment to administering the program.
- B. The CoC's commitment to integrate the prioritization and referral process for FUP-eligible youth into the local CoC's coordinated entry process.
- C. KCDC and DCS's goals and standards of success in administering the program.
- D. KCDC, DCS and CoC(s) each identified a staff position that will serve as the lead FUP liaison.
- E. KCDC and DCS agree to cooperate with any program evaluation efforts undertaken by HUD, or a HUD-approved contractor, including compliance with HUD approved evaluation protocols and data sharing requests.
- F. Assistance will be provided to FUP families and youth in locating housing units and working with landlords to secure appropriate eligible units.
- G. The services to be provided to FUP-eligible youth by DCS or by another agency/organization under agreement/contract with DCS. All of the services in (1) through (5) below will be provided for a period of at least 18 months to FUP-eligible youth receiving rental assistance through the use of a FUP voucher regardless of age (e.g., FUP-eligible youth enters the program at age 24 and 10 months, DCS or another agency/organization under agreement/contract with DCS must still provide 18 months of service, even though after two months the youth no longer meets the initial age of eligibility for FUP youth).
 1. Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation; and access to health care (e.g., doctors, medication, and mental and behavioral health services).
 2. Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits.
 3. Providing such assurances to owners of rental property as are reasonable and necessary to assist a FUP-eligible youth to rent a unit with a FUP voucher.
 4. Job preparation and attainment counseling (where to look/how to apply, dress, grooming, and relationships with supervisory personnel, etc.).

5. Educational and career advancement counseling regarding attainment of general equivalency diploma (GED); attendance/financing of education at a technical school, trade school or college; including successful work ethic and attitude models.

KCDC will administer the FUP vouchers in accordance with applicable program regulations and requirements.

KCDC will encourage participation in the Family Self- Sufficiency Program for FUP eligible Families and FUP eligible Youth as referenced in the Housing Choice Voucher Family Self-Sufficiency Action Plan.

6. FOSTERING YOUTH TO INDEPENDENCE INITIATIVE (FYI)

KCDC applied for FYI vouchers in 2021. Through the FYI initiative HUD will provide TPVs for youth eligible under the FUP, subject to availability. Per the Consolidated Appropriations Act, 2019 (2019 Appropriations Act) (Public Law 116-6, approved February 15, 2019), TPV appropriated funds may be used for FUP under Section 8(x) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(x)).

6.1 Youth Eligibility

- A. The population eligible to be assisted with funding under this notice are youth certified by a Public Child Welfare Agency (PCWA) identified as DCS for KCDC's FYI vouchers, and youth are certified by DCS as meeting the following conditions:
 1. Has attained at least 18 years and not more than 24 years of age;
 2. Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5) (H) of the Social Security Act at age 16 or older; and
 3. Is homeless or is at risk of becoming homeless

6.2 Partnership Agreement

- A. KCDC's Responsibilities Under FYI
 1. KCDC must accept referrals of youth certified by the PCWA as eligible for assistance under this notice.
 2. KCDC must determine if youth referred by the PCWA are eligible for HCV assistance.
 3. KCDC must amend the administrative plan in accordance with applicable program regulations and requirements, if needed.
- B. DCS's Responsibilities Under FYI
 1. DCS must have a system for identifying FUP-eligible youth within the agency's caseload and review referrals from the PHA and CoC.
 2. DCS must have a system for prioritization of referrals to ensure that youth are prioritized for a FYI TPV based upon level of need and appropriateness of the intervention.
 3. DCS must provide written certification to the PHA that a youth is FUP eligible.
 4. DCS must provide or secure a commitment for the provision of required supportive services.
- C. CoC's Responsibilities Under FYI
 1. Integrate the prioritization and referral process for FUP-eligible youth into the CoC's coordinated entry process.
 2. Identify services, if any, to be provided using CoC program funds to youth who qualify for CoC program assistance.
 3. Make referrals of FUP-eligible youth to the DCS

6.3 Additional Program Requirements

- A. Turnover. These vouchers "sunset" when the youth leaves the program. This means that KCDC cannot reissue the HCV assistance issued under this notice when the youth exits the HCV program. When the youth exits the HCV program, HUD will reduce KCDC's HCV assistance to account for the removal of the FYI TPV assistance from KCDC's HCV baseline inventory.

- B. Youth Failure to Use Voucher. Should a youth fail to use the voucher, KCDC must notify HUD, and HUD will reduce the KCDC's HCV assistance to account for the removal of the FYI TPV assistance from KCDC's HCV baseline inventory.
- C. KCDC reserves the right to Project Base Foster Youth Independence (FYI) vouchers.
- D. Reporting. KCDCs must maintain a special program code for FYI TPV participants in line 2n of the Family Report (form HUD- 50058) or line 2p of the MTW Family Report (form HUD-50058), as applicable. The special program code is "FYITPV." KCDCs must also properly record the date KCDC issues the voucher to the youth, the date of admittance to the program, and expiration of said voucher in line 2a.
- E. Waiting List Administration. The funding is targeted to a specific person. As a result, KCDC must use the assistance for that person. KCDC may admit the youth that is not on KCDC's waiting list, or without considering the family's waiting list position. KCDC must maintain records showing the family was admitted with HUD-targeted assistance.
- F. Length of Assistance. As required by statute, a FYI TPV may only be used to provide housing assistance for youth for a maximum of 36 months.
- G. Administrative Plan. KCDC administrative plan must be amended in accordance with applicable program regulations and requirements, if needed.

7. Emergency Housing Vouchers (EHV)

The EHV program ended on September 30, 2023. No further referrals will be accepted for this program. However, existing voucher recipients in good standing will continue to receive rental assistance.

7.1 Introduction

KCDC and the CoC are committed to administering the EHV's in accordance with all program requirements. KCDC's goals are to reduce the barriers to housing that many EHV participants currently face on a daily basis. In partnership with the CoC and the community service providers which make up the CoC alongside the City, through its Office on Homeless, as collaborative applicant, KCDC will strive to achieve sustainable housing for the participants of the EHV program. Successful administration will be achieved when all 63 vouchers which HUD has allocated to KCDC are utilized with identified EHV participants.

7.2 Eligibility

- A. In order to be eligible for an EHV, an individual or family must meet one of four eligibility categories as the same are defined as follows:
 1. Homeless
 2. At risk of homelessness
 3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
 4. Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability
- B. The CoC or partnering service provider is responsible for verifying at the individual or family meets one of the four aforementioned eligibility categories. The CoC or partnering service provider must provide supporting documentation to the KCDC of the verification that the family meets one of the four aforementioned eligibility categories.

7.3 Service Provided to Eligible Families

- A. Support individuals and families in completing applications and obtaining necessary supporting documentation to support referrals and applications for assistance while aiding households in addressing barriers.
- B. Support KCDC in ensuring appointment notifications to eligible individuals and families and will assist eligible households in getting to meetings with KCDC.
- C. Provide housing search assistance for eligible individuals and families.
- D. Provide counseling on compliance with lease requirements.
- E. Assess individuals and families who may require referrals for assistance on security deposits, utility hook-up fees, and utility deposits.

F. Assess and refer individuals and families to benefits and supportive services, where applicable.

7.4 Roles and Responsibilities

A. KCDC's Roles and Responsibility under EHV

1. Coordinate and consult with the CoC in developing the services and assistance to be offered under the EHV services fee.
2. Accept direct referrals for eligible individuals and families through the CoC Coordinated Entry System ("CES").
3. Provide an established and reasonable dollar amount to be paid for essential household items.
4. Allow for pre-inspections of Housing Quality Standards ("HQS") or NSPIRE if applicable, units to expedite the leasing process.
5. Provide retention payments to owners who agree to renew the lease of an EHV family.
6. Provide an established and reasonable dollar amount for moving expenses when an EHV family initially leases a unit.
7. Commit a sufficient number of staff and necessary resources to ensure that the application, certification, and voucher issuance processes are completed in a timely manner
8. Commit a sufficient number of staff and resources to ensure that inspections of units are completed in a timely manner.
9. Designate a staff to serve as the lead EHV liaison.

B. CoC & Partnering Service Provider Roles and Responsibilities

1. Designate and maintain a lead EHV liaison to communicate with KCDC.
2. Refer eligible individuals and families to KCDC using the community's CES.
3. Support eligible individuals and households in completing and applying for supportive documentation to accompany admissions application to KCDC.
4. Attend EHV participant briefings when needed.
5. Assess all households referred for EHV for mainstream benefits and supportive services available to support eligible individuals and families through their transition.

Identify and provide supportive services to EHV families, including, as applicable and available, housing search assistance, security deposit assistance, utility deposit assistance/utility arrearage assistance, and/or assistance with fees or rents currently owed to housing owners. (While EHV participants are not required to participate in services, the CoC will assure that services are available and accessible.)

8. Mainstream Vouchers (MS)

8.1 Introduction

Mainstream vouchers are tenant-based vouchers that assist non-elderly persons with disabilities and their families. The vouchers are a part of the Housing Choice Voucher (HCV) program and follow the same regulations and program policies as the PHA's regular HCV program except that these vouchers assist a special population.

8.2 Eligibility and Selection

- A. Vouchers must assist non-elderly persons (at least 18 and less than 62 years of age) who have disabilities and their families.
 1. The eligible household member does not need to be the head of household.
 2. Non-elderly persons with disabilities who turn 62 after admission can continue with their rental assistance.
 3. Assisted households must meet all HCV eligibility requirements such as those related to income, citizenship or immigration status, and mandatory screening.

9. Moving to Work

9.1 Introduction

Moving to Work- The Moving to Work (MTW) demonstration permits participating state and local housing agencies to obtain broad waivers of federal rules governing the public housing and Housing Choice Voucher programs so they can test alternative policies related to work and other areas.

Pursuant to HUD approval the following will be implemented:

A. Payment Standards – Small Area Fair Market Rents

KCDC is authorized to adopt and implement any reasonable policy to establish payment standards based upon Small Area Fair Market Rents (SAFMR). In lieu of establishing a unique payment standard for each ZIP code area within its jurisdiction, KCDC may use this flexibility to establish payment standards for “grouped” ZIP code areas. KCDC will have the ability to have a larger range to go beyond FMR or SAFMR, providing KCDC the opportunity to evaluate which area or zip code will be increased higher than the regular 150%.

B. Payment Standards – Fair Market Rents

KCDC is authorized to adopt and implement any reasonable policy to establish payment standards based upon Fair Market Rents (FMR). KCDC will adopt a payment standard that is between 80% to 150% of the Fair Market Rents (FMR). Payment standards will be reviewed on an annual basis when the new FMR is published, and at other times as determined necessary.

C. Alternative Inspection Schedule

KCDC is authorized to establish a local inspection schedule for all or a portion of its HCV units. KCDC will adopt a 36-month schedule for HQS or NSPIRE (if applicable) inspections. This will update the current inspection schedule for designated program types from biannually to triennially.

D. Project-Based Voucher Program Flexibilities

KCDC is authorized to increase the program cap to 50% for which KCDC could award Project-Based Voucher contracts.

E. Project-Based Voucher Program Flexibilities

KCDC is authorized to implement a project cap of up to 100% of the units for a Project-based voucher project.

F. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement

KCDC is authorized to award project-based voucher units to properties owned by KCDC, or a single-asset entity of KCDC without engaging in a competitive selection process.

G. Limit Portability for PBV Units

KCDC is authorized to limit PBV households the ability to request portability to a tenant-based voucher to 24 months versus 12 months.

H. Housing Development Programs

Programs that use MTW Funding to acquire, renovate and/or build affordable units for low-income families that are not public housing units. Eligible activities may include gap financing for non-PHA development of affordable housing, development of project-based voucher units or tax credit partnerships. KCDC is authorized to the flexibility to allocate up to 10% of its HAP budget to the acquisition, renovation, or building affordable rental units (non-public housing) for low-income families.

I. Damage Claims (HCV—Tenant-Based Assistance) —To incentive a landlord’s continued participation in the HCV program, the agency may provide landlords with compensation. KCDC may implement a damage claim process to allow landlords to submit claims for tenant damages where the amount of damage claims must not exceed the lesser of the cost of repairs minus the tenant’s security deposit or two months of contract rent minus the tenant’s security deposit. Landlords will provide a court ordered judgment to include the amount owed by the tenant for damages. PHA staff reserve the right to have a third-party physically inspect the unit for damages and obtain a counter-quote for the repairs from a reputable company.

J. Vacancy Payments – If a family moves out of a unit, KCDC can make payments for the empty unit, unless KCDC

determines the owner is at fault for the vacancy. This payment is called a vacancy payment. KCDC will begin vacancy the day after the family moves out of the unit. The vacancy period will not exceed one full month following the move out month. The owner will have 5 days from the date of move out to request vacancy loss.

The vacancy payment cannot be higher than the monthly rent to owner minus any part of the rental payment the owner already received. This includes amounts available from the security deposit. Any vacancy payment may only cover the period the unit remains vacant.

- K. Other Landlord Incentives (HCV—Tenant-Based Assistance) —In order to incentivize new landlords to join the HCV program, the agency may provide incentive payments. Agencies may target incentive payments to landlords leasing properties in high opportunity neighborhoods or in areas located where vouchers are difficult to use as defined in an agency's Administrative Plan. In an effort to recruit and retain landlords in the HCV program, KCDC may implement the following incentives:
1. A sign-on bonus for new landlords (A new landlord is defined as a landlord who has not held an active HAP contract in the past 5 years from the date of signing.)
 2. A referral bonus for existing landlords (Referral bonus will be paid to a landlord with an existing HAP contract for up to 5 referrals in a fiscal year. A referral is complete once a HAP contract is signed.)

10. Eligibility For Admission

10.1 Introduction

There are five eligibility requirements for admission to Section 8: Qualifies as a family, has an income within the limits, meets citizenship/eligible immigrant criteria, provides documentation of Social Security numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet KCDC screening criteria to be admitted to Section 8 Housing Assistance Programs.

10.2 Eligibility Criteria

A. Family Type:

1. Family: as defined by HUD includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status.
 - a. A single person, who may be an elderly person, displaced person, disabled person, an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together.
 - b. A group of persons residing together, and such group includes, but is not limited to:
 - i. A family with or without children (a child who is temporarily away from home because of placement in foster care is considered a member of the family);
 - ii. Unborn children and children in the process of being adopted are considered family members for the purposes of determining bedroom size but not considered family members for determining income limit.
2. An elderly family, which is:
 - a. A family whose head, spouse, cohead or sole member is a person who is at least 62 years of age;
 - b. Two or more persons who are at least 62 years of age living together; or
 - c. One or more persons who are at least 62 years of age living with one or more live-in aides.
3. A near-elderly family (if applicable), which is:
 - a. A family whose head, spouse, cohead or sole member is a person who is at least 50 years of age but below the age of 62;
 - b. Two or more persons who are at least 50 years of age but below the ages of 62 living together; or
 - c. One or more persons who are at least 50 years of age but below the ages of 62 living with one or more live-in aides.

4. A disabled family, which is:
 - a. A family whose head, spouse, or cohead is a person with disabilities;
 - b. Two or more persons with disabilities living together; or
 - c. One or more persons with disabilities living with one or more live-in aides.
5. A non-elderly disabled family which is:
 - a. A household composed of one or more non-elderly persons with disabilities which may include additional household members who are not non-elderly person with disabilities. A household where the sole member is an emancipated minor is not an eligible household.
 - b. The non-elderly person with disabilities is a person who is 18 years of age or older and less than 62 years of age and
 - i. Has a disability as defined in 42 U.S.C 423;
 - ii. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - 1.) Is expected to be of long-continued and indefinite duration;
 - 2.) Substantially impedes his or her ability to live independently, and
 - 3.) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
 - iii. Has a developmental disability as defined in 42 U.S.C. 6001.
6. A displaced family is a family in which each member, or whose sole member has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.
7. A remaining member of a tenant family, providing they meet all other eligibility criteria.
8. A single person who is not elderly or displaced person, a person with disabilities or the remaining member of a family.

B. Income eligibility

1. To be eligible to receive assistance, a family shall be:
 - a. Very low-income;
 - b. A low-income family continuously assisted under the public housing, Section 23, or Section 8 programs;
 - c. A low-income family that is a non-purchasing tenant in certain home ownership programs;
 - d. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing.
 - e. Extremely Low-income family. A very low-income family whose income does not exceed the higher of:
 - vi. The poverty guidelines established by the Department of Health and Human Services applicable to the family size involved; or
 - vii. 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of the area median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within KCDC's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
4. Families who are moving into KCDC's jurisdiction under portability and have not used their voucher to receive assistance at their initial housing agency must meet the income limit for the area where they were initially assisted under the program.
5. Families who are moving into KCDC's jurisdiction under portability and are already program participants at their initial housing agency do not have to meet the income eligibility requirements for KCDC's program.

6. Income limit restrictions do not apply to families transferring units within KCDC's Section 8 Housing Choice Voucher Program.

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as July 1, 2024, but no later than July 1, 2025, based on when KCDC's software is able to submit to the Housing Information Portal (HIP).

- a. Asset Limitation: HOTMA imposes a \$100,000 asset limit for eligibility and continued assistance. Families are also ineligible for assistance if they own real property suitable for occupancy.
- b. Adjustments for Inflation: Deductions and the asset limitation will be adjusted for inflation annually, ensuring that deductions do not lose value over time and that families are able to build more wealth without losing program assistance. The current deduction amounts have never been adjusted.

C. Citizenship/Eligible Immigration Status

To be eligible, each member of the family must be a U.S. citizen, U.S. national, or a noncitizen that has eligible immigration status. At least one family member must be a citizen, national or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All new applicants and family members will be required to provide the following documentation before an application can be approved.

1. Birth Certificate, Naturalization papers
2. Current U.S. Passport
3. Church issued baptismal certificate
4. U.S. Military discharge paperwork (DD 214)
5. Current employer identification card
6. For Children: Birth certificate, adoption papers, custody agreement, Health and Human Services ID or Certified school records.
7. Picture ID for all adult members in the household.

Family eligibility for assistance:

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 18.4(F) for calculating rents under the noncitizen rule).
3. A family without any eligible members and receiving assistance on June 19, 1995, may be eligible for temporary deferral of termination of assistance.

D. Social Security Number Documentation

Prior to admission to any Section 8 Rental Assisted Program, each family member must provide verification of their Social Security number. If a member of an applicant family indicates they have a Social Security number, but cannot readily verify it, the members must provide a letter from the Social Security Administration or other federal or state government agency. The application will retain its position on the waiting list while the required documentation is being obtained. If the documentation is not provided within the allotted time, the application will be denied. If the Social Security card name and picture ID name do not match, KCDC will use the Social Security name and require proof of name change such as marriage license, court documentation, etc.

Social Security cards cannot be a photo copied card, it must be an original.

New family members must provide Social Security card or Social Security letter prior to being added to the lease. All children must have a Social Security card or Social Security letter prior to being added to the lease. If a child under the age of six (6) years of age was added to the assistance applicant household within the six (6) month period prior to the household's date of voucher issuance, the assistance applicant may become a participant, so long as the documentation required is presented to KCDC within 90 days from date of admission into the program which means by the effective date of the Housing Assistance Payment Contract. KCDC will grant an additional 90 day period if it is determined the assistance

applicant's failure to comply was due to circumstances beyond their control. Failure to provide the social security card within these timeframes may result in withdrawal of application or termination of assistance .

E. Signing Consent Forms

1. To be eligible, each member of the family who is at least 18 years of age, and each family head and spouse, regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD and KCDC to obtain from State Wage Information Collection Agencies (SWICAS) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
 - b. A provision authorizing HUD or KCDC to verify, with previous or current employers, income information pertinent to the family's eligibility for, or level of, assistance;
 - c. A provision authorizing HUD or KCDC to request income verifying information pertinent to the family's eligibility or level of benefits; and
 - d. A statement that the authorization to release the information requested by the consent form remains effective until the earliest of
 - i. the rendering of a final adverse decision for an assistance applicant;
 - ii. the cessation of a participant's eligibility for assistance from HUD and the PHA; or
 - iii. The express revocation by the assistance applicant or recipient (or applicable family member) of the authorization, in a written notification to HUD or the PHA.

F. Suitability for Tenancy

KCDC determines eligibility for participation and will also conduct criminal background investigations on all adult household members, including live-in aides. KCDC will deny assistance to a family because of drug-related or violent criminal activity by family members. This investigation will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, KCDC may contact law enforcement agencies where the individual had lived or request an investigation through the FBI's National Crime Information Center (NCIC).

No applicant who had been a victim of domestic violence, sexual assault, dating violence, or stalking will be denied admission if they are otherwise qualified. KCDC will give applicant who claims victim status 14 business days after written request to certify either by (1) completing the HUD form 5382 (which is available at the Rental Assistance office); or (2) providing KCDC with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional from whom the victim applicant or another member of applicant family has sought assistance in addressing the domestic violence, sexual assault, dating violence, or stalking or the effects of the abuse (this certification must be sworn under penalty of perjury); or (3) producing a Federal, State, or Local police or court record.

Once the assistance is approved and a tenant lease has been completed, the abuser may not be permitted to reside with the tenant during the first year of the tenancy. If the abuser is found to be residing with the tenant after the lease is signed, the tenant's assistance will be terminated.

KCDC will ban for life any family member who has been convicted of manufacturing or producing methamphetamine (speed) in a public housing development or in a Section 8 assisted property.

KCDC will check with the Federal Sex Offender Registration Program and will ban for life any individual who is registered as a sex offender.

Additional screening is the responsibility of the owner. Upon request of a prospective owner, KCDC will provide any factual information or third party written information it has relevant to a tenant's history of, or ability to, comply with material standard leasing terms or any history of drug trafficking.

G. Abandonment

If an applicant previously abandoned a Section 8 unit, they must prove they have lived in good standing and without abandonment of any property for the past two (2) years before they can apply.

H. New restrictions on eligibility of certain students (both part and full time) who are enrolled in institutions of higher education are as follows:

Applicants seeking assistance on their own separate from their parents and are enrolled at an institution of higher education, are under 24 years of age, not a veteran, not married and do not have a dependent child are subject to a two part income eligibility test. Both the student and the student's parent must be income eligible in order for the student to be eligible to receive Section 8 assistance.

Parents for purposes of the student eligibility restriction mean the biological or adoptive parents or guardian (e.g. grandparents, aunt/uncle, godparents, etc.). However, if a student can determine to be independent from his/her parents in accordance with KCDC policy; KCDC does not need to consider the income of the student's parents in determining the student's eligibility.

KCDC policy will consider as an independent student a student who meets one or more of the following criteria:

1. Be at least 24 years old by December 31 of the award year for which aid is sought;
2. Be an orphan or ward of the court through age 18;
3. Be a veteran of the U.S. Armed Forces;
4. Have legal dependents other than a spouse (for example, dependent children or elderly dependent parent);
5. Be a graduate or professional student; or,
6. Be married.

11. Managing The Waiting List

11.1 Opening and Closing the Waiting List

Opening of the waiting list will be announced via public notice that applications for the Section 8 Housing Choice Voucher Program will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, on KCDC's official website, and in available minority media.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other waiting lists when they apply for the Section 8 Housing Choice Voucher Program. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

KCDC reserves the right to close the waiting list at it's discretion. Closing of the waiting list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation and also by other available media sources such as the KCDC web page, e-mail to agency partners, etc. The waiting list closing dates may also be listed in the waiting list opening announcement.

11.2 Taking Applications

When funding available, families wishing to apply for a KCDC Section 8 Housing Choice Voucher are required to complete an online pre-application the second Wednesday of the month, during the hours of 8:00 A.M. and 3:00 P.M.

As a reasonable accommodation, KCDC's online applicant portal is available to applicants the second Wednesday of each month between the hours of 8:00 a.m and 3:00 p.m. Anyone who cannot complete an online pre-application through the applicant portal may come to the office in person to complete their pre-application at the Family Justice Center KCDC office located at 400 Harriet Tubman Street, Knoxville, Tennessee 37915. Pre-applications will only be accepted during the hours of 8:00 a.m. and 3:00 p.m., the second Weds of the month.

Portable applicants wishing to port their Housing Choice Voucher into KCDC will be seen Monday through Friday from the hours of 8:00-2:00. Any portable applicant who wishes to port into KCDC must have at least 30 days remaining on their Housing Choice voucher.

Once an online pre-application is completed, the online pre- application must be converted to a full application. The family will be required to update their information with KCDC by providing information about all household members, including name, address, telephone number, composition, Social Security number, picture identification for all adult household members, racial or ethnic designation, income verification, citizenship/eligible immigration information, and information establishing any preferences to which the family may be entitled. The family must sign the Authorization to Release Records and Information and HUD's Authorization for the Release of Information/Privacy Act Notice forms. KCDC reserves the right to require online updates.

Upon receipt of the family's application, KCDC will make a preliminary determination of eligibility. If KCDC determines the family

to be ineligible, KCDC will notify the family and state the reason(s). KCDC will offer the family the opportunity for an informal review of the determination.

KCDC will ensure that verification of all preferences, eligibility, suitability selection factors are current to determine the family's final eligibility for admission into a KCDC Section 8 Housing Choice Voucher Program.

11.3 Organization Of The Waiting List

The waiting list will be maintained according to the following guidelines:

- A. Applications will be sorted based on the highest weighted preference assigned to an application followed by the date and time. Highest weighted preference means the application with the most preference points. Weighed preferences include: 30 points for Government Action Displacement, 20 points for Involuntarily Displaced, 17 points for Limited Homeless CES, 15 points for Substandard Housing plus working/disabled/handicapped or elderly, 10 points for substandard housing, 5 points for Disabled/handicapped/elderly, 1 additional preference point is given if the applicant is a resident of Knox County.
- B. The application will be a permanent file document.
- C. The waiting list cannot be maintained by bedroom size under HUD regulations.

11.4 Families Nearing The Top Of The Waiting List

When KCDC has vouchers available and is prepared to offer the vouchers to eligible applicants, the family whose application is more than two months old must update household composition, preferences, and income. KCDC will re-verify the family's eligibility. If the family is no longer eligible for the Section 8 Housing Choice Voucher Program, KCDC must notify the family in writing of this determination and give the family the opportunity for an informal review.

11.5 Missed Appointments

All applicants who fail to keep a scheduled appointment will be sent a notice of denial.

KCDC will allow the family to reschedule appointments for good cause. When a good cause exists and applicant can provide proof of an acceptable reason for missing their appointment, KCDC will work closely with the family to find a more suitable time. Any applicant whose name is being removed from the waiting list will be notified by KCDC, in writing, that they have ten (10) working days from the date of the written correspondence to request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified.

Applicants will be offered the right to an informal review before being removed from the waiting list.

11.6 Purging The Waiting List

KCDC will update and purge its waiting list as necessary to ensure that the pool of applicants reasonably represents interested families. Purging also enables KCDC to update the information regarding address, family composition, income category, and preferences. KCDC will maintain an application for three years after it has been withdrawn. After three years, the application will be destroyed.

11.7 Removal Of Applicants From The Waiting List

KCDC will not remove an applicant's name from the waiting list unless:

- A. The applicant request that the name be removed;
- B. The applicant fails to respond to a written request for information, a request to declare their continued interest in the program or misses scheduled appointments; or
- C. The applicant does not meet either the eligibility or screening criteria for the program.

11.8 Grounds For Denial

No applicant who has been a victim of domestic violence, sexual assault, dating violence, or stalking will be denied admission if they are otherwise qualified. KCDC will give applicant who claims victim status 14 business days after written request to certify either by:

- A. Completing HUD form 5382 (which is available at the KCDC Rental Assistance office);
- B. Providing KCDC with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional from whom the victim (applicant or another member of applicant family) has sought assistance in addressing domestic violence, sexual assault, dating violence, or stalking or the effects of abuse (this certification must be sworn under penalty of perjury);
- C. Producing Federal, State, or Local police or court record.

KCDC will deny assistance to applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process within the time frame allotted;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;
- E. Have a history of criminal activity by any household member involving physical violence against persons or property, drug-related criminal activity (e.g., illegal manufacture, sale, distribution, use of or pattern of abuse of alcohol), and any other criminal activity that would adversely affect the health, safety, or well-being of other tenants or staff, or cause damage to the property.

Consideration may be given to applicants:

1. With records of violent criminal activity who have had no arrests or convictions within a three-year, unsupervised period;
 2. With records of drug-related criminal activity that have had no arrests or convictions within a three-year, unsupervised period.
- F. Currently owes rent or other amounts to KCDC or any other housing agency in connection with the public housing or Section 8 Rental Assistance Programs;
 - G. Have committed fraud, bribery, or any other corruption in connection with any federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived therefrom;
 - H. Have a family member who was evicted from federally assisted housing within the last five years;
 - I. Have a family member who was evicted from assisted housing within five years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802;
 - J. Have a family member who illegally used a controlled substance or abused alcohol in a way that interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. KCDC may waive this requirement if:
 1. The person demonstrates to KCDC's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse alcohol;
 2. The person has successfully completed a supervised drug or alcohol rehabilitation program as evidenced by at least a One(1)year, unsupervised period of no arrests or convictions for drug-related activities; or
 3. The person has otherwise been rehabilitated successfully.
 - K. Have engaged in threatened, abusive or violent behavior toward any KCDC staff member or resident;
 - L. Have a family household member who has been terminated under the Voucher Program during (but not limited to) the last three years;
 - M. Anyone who has been added to the KCDC "NO Trespass" list will be denied housing unless they are approved to be removed from the "No Trespass list."
 - N. Denied for Life: If a family member has been convicted of manufacturing or producing methamphetamine (speed) in a public housing development or in a Section 8 assisted property;

O. Denied for Life: If a family member has a registration under a sex offender registration program.

11.9 Notification Of Negative Actions

Any applicant whose name is being removed from the waiting list will be notified by KCDC in writing. They have ten (10) days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified.

11.10 Informal Review

If KCDC determines that an applicant does not meet the criteria for receiving Section 8 rental assistance, KCDC will promptly provide the applicant with written notice of the determination. The notice will contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal review of the decision within 10 days of the denial notice. KCDC will describe how to obtain the informal review. The informal review process is described in Section 20.4 of this Plan.

12. Selecting Families To Receive Assistance

Applicants will be selected to receive Section 8 rental assistance either as a special admission or as a waiting list admission.

12.1 Special Admission (non-waiting list): Assistance targeted by HUD.

A. If HUD awards a KCDC program funding that is targeted for families living in specified units:

1. KCDC must use the assistance for the families living in these units.
2. KCDC may admit a family that is not on KCDC's waiting list, or without considering the family's waiting list position. KCDC must maintain records showing that the family was admitted with HUD-targeted assistance.

B. The following are examples of types of program funding that may be targeted for a family living in a specified unit:

1. A family displaced because of demolition or disposition of a public housing project;
2. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990 (41 U.S.C. 4101 et seq.):
 - a. A non-purchasing family residing in a project subject to a homeownership program (under 24 CFR 248.173); or
 - b. A family displaced because of mortgage prepayment or voluntary termination of a mortgage insurance contract (as provided in 24 CFR 248.165);
4. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
5. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.
6. Enhanced Vouchers are special admissions under 24CFR 982.203 and therefore do not have to be selected from KCDC's waiting list.

A special admission permits selecting a family for assistance that is not on the Section 8 waiting list or without considering the family's waiting list position. Records are maintained that show the family was selected for HUD-targeted assistance.

12.2 Waiting List Admission

Except for special admissions, applicants must be selected from the Section 8 waiting list. KCDC will adopt a limited preference for a Continuum of Care designated collaborative applicant. Applicant must be a current CHAMP participant and identified as most vulnerable through the Coordinated Entry system. This preference will be our third and limited to 100 qualified applicants picked from the Coordinated Entry system annually. KCDC reserves the right to select applications through a randomly selected lottery pull. If KCDC decides to use the lottery pull, applications will be ranked in order of preference from preferences listed below.

In order for a pre-application to be completed, a pre-applicant must have one of the following preferences:

- A. First Preference: (Displaced by Government Action, 30 points)

An applicant family who is displaced by government action or an applicant whose dwelling has been extensively damaged or destroyed as a result of disaster, declared or otherwise formally recognized pursuant to federal relief laws.

B. Second Preference: (Involuntary Displacement, 20 points)

An applicant family who is in need of immediate shelter by reason of extreme hardship, such as disaster. For example: an action by a housing owner that is beyond the applicant's control and that occurs despite the applicant having met all previous conditions of occupancy, and is other than a rent increase; a disaster or catastrophe, such as fire, flood or storm that has caused the unit to be uninhabitable.

The hardship will be governed by the position that preference will not be given to a family who is, or is expected to be, without housing for failure to pay rent or carry out other normal obligations of residency.

An applicant family who is in need of immediate shelter by reason of extreme hardship such as individuals who are fleeing, or attempting to flee domestic violence, dating violence, sexual assault or stalking and victims of reprisals or hate crimes. Victims of recent hate crimes, where a hate crime is defined as actual or threatened physical violence or intimidation that is directed against a person or their property and is based on the person's race, color, religion, sex, (perceived or actual sexual orientation) or gender identity, national origin, handicap, or familial status. It must have occurred recently or be of a continuing nature; or Police informants for whom the law enforcement agency has recommended rehousing in order to avoid or minimize the risk of violence against family members.

It is the responsibility of the applicant to document to the satisfaction of KCDC that the housing condition is caused by circumstances beyond the family's control. Written verification from the appropriate unit or agency of government, the property owner, or social services agency is required.

C. Third Preference: (Limited Homeless CES preference, 17 points)

An applicant family who is homeless as defined in category 1 of the definition of "homeless" under federal regulation 24 CFR § 578.3, which means without a fixed nighttime residence or staying in a supervised shelter designed to provide temporary living arrangements, including congregate shelters, transitional housing, and hotels and motels paid for by public or private funds. To be eligible for the Limited Homeless CES preference, applicant must be a current Coordinated Housing Assessment and Match Plan (CHAMP) participant and prioritized through the Coordinated Entry system. For purposes of this preference, "homeless" means:

An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

1. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
2. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
3. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

D. Fourth Preference: (Substandard Housing, 10 points *** 15 points if substandard and working/disabled/handicapped/elderly*)

An applicant family who currently resides in substandard housing or who is homeless without a fixed nighttime residence or staying in a supervised shelter. For purposes of this preference, substandard housing is defined as any dwelling that is unsafe, unsanitary, or overcrowded due to its location, structural condition or lack of utilities. For example:

1. A unit that an agency or unit of government has declared unfit for habitation;
2. A unit is dilapidated and endangers health and safety;
3. A unit that is overcrowded (to be determined by KCDC's subsidy standards in Section 10) or without one or more of the following for the exclusive use of the applicant family: operable plumbing; usable flush toilet; usable bathtub or shower; adequate safe electricity; safe or adequate heat; kitchen, if designed for one.

Third preference also includes applicants who lack a fixed, regular and adequate nighttime residence

4. A Non-Elderly persons with disabilities transitioning out of institutional and other segregated settings, at serious risk of institutionalization, homeless or at risk of becoming homeless.

E. Fifth Preference: (Disability, 5 Points)

1. An elderly family as defined herein that has a member(s) with disabilities;
2. A non-elderly disabled family as defined on page 25 of this Administrative Plan

F. 1 additional preference point is given if the applicant is a resident of Knox County.

12.3 Selection From The Waiting List

Based on the above preferences, all families in preference A will be offered housing before any families in preference B, and preference B families will be offered housing before any families in preference C, and so forth. HUD targeted allocations will be offered to families that meet the target specifications with offers based on priority and then by the sequence within the above-prescribed preferences.

Notwithstanding the above, families who are elderly, disabled, or displaced will be offered housing before other single persons.

Notwithstanding the above, if necessary to meet the statutory requirements that 75% of newly admitted families in any fiscal year be families who are extremely low-income (unless a different target is agreed to by HUD), KCDC retains the right to skip higher income families on the waiting list to reach extremely low-income families. This measure will be taken only if it appears the goal will not otherwise be met. To ensure this goal is met, KCDC will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list, KCDC will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement

13. Voucher Distribution

13.1 Assignment Of Bedroom Sizes (Occupancy Standards)

KCDC will provide assistance for a particular bedroom size – the bedroom size is a factor in determining the family's level of assistance. The following guidelines will determine each family's unit size without overcrowding or over housing:

NUMBER OF BEDROOMS	NUMBER OF PERSONS	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons. Two adults will not share a bedroom unless they are a couple. KCDC will review, if applicable, on a case by case basis.

In determining bedroom size, KCDC will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, and children who are temporarily away for school, temporarily in foster care, or temporarily removed from the home for a period of time. The child may be out of the home for six months and if not back in the home after six months, the assistance size will decrease unless there is court documentation justifying the reason the child has not been returned to the home. Project based voucher families are required to have residential custody of children in order to determine the correct bedroom size.

Bedroom size will also be determined using the following guidelines:

- A. Children of the opposite sex will not share a bedroom. Children of the same gender will share a bedroom until 18 years of age or until the oldest child is within two months of turning 18.
- B. Children of the opposite sex (both under the age of two (2) will share a bedroom. If the child turns two (2) within two months of a tenant move, KCDC will increase the bedroom size allowance at next recertification.

- C. When there is a change in custody, the parent who receives residential custody will receive the appropriate voucher size. KCDC will not permit anyone to add a child to the lease that is not born to tenant, unless they have residential custody of the child or guardianship. Under extenuating circumstances notarized statement will be permitted;
- D. Adults and children (unless under age two) will not be required to share a bedroom. If a mother is pregnant and has a child under two, the child under two will be eligible for it's own bedroom or if the same gender as another child, may share the bedroom with that child and the mother will have a bedroom of her own. KCDC will give the larger bedroom size if within 60 days of having the new child.
- E. Foster adults and foster children will not be required to share a bedroom with family members;
- F. Live-In Aides will be allowed a separate bedroom. To qualify as a live-in aide, the tenant's medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability must document the tenant needs a live-in aide. KCDC will screen and add the live-in aide to the tenant's assistance. (See Glossary for complete definition of live-in aide.)
- G. Additional Member of Household may be added once they are deemed eligible through the screening process, however, If a tenant wants to add an adult member to the lease, they must have the approval of owner/ landlord of the property and a lease addendum must be signed. Once the addendum is signed and the other adult member is added, they cannot be removed from the lease unless the owner/landlord permits the removal from the lease.

KCDC will grant exceptions to normal occupancy standards when a family requests a larger bedroom-size voucher than the guidelines allow and documents a medical reason why the larger size is necessary (see Section 1.2 on requesting a reasonable accommodation). When a reasonable accommodation request is granted for a live in aide or for an extra bedroom for medical equipment, the independent contract inspection company will validate at each inspection if the additional bedroom is still being used for the approved accommodation.

The family unit size will be determined by KCDC according to the above guidelines and will determine the maximum rent subsidy for the family; however, an HCV family may select a unit that may be larger or smaller than the family unit size allocated. If the family selects a smaller unit, the payment standard for the smaller size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family's voucher size will determine the maximum subsidy.

The voucher holders utility allowance will be based on the bedroom size of the voucher for which a household qualifies regardless of the size of the unit leased. KCDC will approve a utility allowance that is higher than the applicable utility schedule if needed as a reasonable accommodation.

13.2 Voucher Briefing

As the family's name reaches the top of the waiting list, the family will be invited to attend a briefing explaining how the program works. To receive a voucher, the family is required to attend the briefing. If they cannot attend the originally scheduled briefing, they may attend a later session. If the family fails to attend two briefings without good cause, their voucher will be withdrawn. KCDC reserves the right to conduct briefings telephonically, via video-teleconferencing, web cast or through other virtual platforms absent a request by a party for an in-person briefing. Briefing packets will be mailed. KCDC will ensure that electronic information stored or transmitted is secure and meets the requirements for accessibility for persons with disabilities and persons with LEP. KCDC will follow guidance outlined in PIH notice 2020-32.

The briefing will cover at least the following subjects:

- A. A description of the program;
- B. Family and owner responsibilities;
- C. Where the family may rent a unit, including inside and outside KCDC's jurisdiction;
- D. Types of eligible housing;
- E. For families qualified to lease a unit outside KCDC's jurisdiction under portability, an explanation of how portability works;
- F. An explanation of the advantages of living outside an area of low income and minority concentration; and
- G. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income if the gross rent exceeds the applicable payment standard.

13.3 Packet

During the briefing, KCDC will give the family a packet covering at least the following subjects:

- A. The term of the voucher and KCDC's policy on extensions and suspensions of the term. The packet will include information on how to request an extension and forms for requesting extensions;
- B. How KCDC determines the housing assistance payment and total tenant payment for the family;
- C. Information on the payment standard and the utility allowance schedule;
- D. How KCDC determines the maximum rent for an assisted unit;
- E. Where the family may lease a unit. For families qualified to lease outside KCDC's jurisdiction, the packet includes an explanation of portability;
- F. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease;
- G. The Request for Tenancy Approval form and an explanation of how to request KCDC approval of a unit;
- H. Tenant /Owner Inspection Checklist.
- I. A statement of KCDC's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing KCDC to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, KCDC will also supply any factual information or third-party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity, or any violent criminal activity;
- J. KCDC's subsidy standards, including when KCDC will consider granting exceptions to the standards (Example: medical reasons);
- K. The HUD brochure on how to select a unit ("A Good Place to Live");
- L. The HUD-required lead-based paint booklet is included. The family will be asked to sign an acknowledgement of receipt of the booklet.
- M. Information on federal, state, and local equal opportunity laws; brochure on Fair Housing; and a copy of the housing discrimination complaint form;
- N. Information regarding landlords, or other parties known to KCDC, who may be willing to lease a unit to the family or help the family find a unit;
- O. Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to KCDC that may be available through the internet web based program or through a toll free number that may provide a list of landlords;
- P. The family's obligations under the program;
- Q. The grounds upon which KCDC may terminate assistance because of the family's action or inaction;
- R. KCDC's informal hearing procedures, including when KCDC is required to provide the opportunity for an informal hearing and information on how to request a hearing;
- S. KCDC owner information brochure. This brochure can be given by the applicant to a prospective owner to help explain the program.
- T. To deconcentrate poverty and expand housing and economic opportunities KCDC will encourage participants to locate housing outside areas of low income and minority concentrated areas. KCDC provides maps that show areas with housing opportunities outside areas of low income or minority concentration within KCDC's jurisdiction and neighboring jurisdictions. The areas that have Low Income census tracts and Minority concentration census tracts are: 8, 14, 17,19, 20, 21, 29, 32,67, 68, 69,and 70. All other census tracts are areas outside minority and low income concentration.
- U. Information regarding "How to Request a Reasonable Accommodation".

13.4 Issuance Of Voucher; Request For Tenancy Approval

As of August 12, 1999, KCDC began issuing only vouchers.

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, KCDC will issue the voucher. At this point, the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the family or the owner will submit to KCDC a completed Request for Tenancy Approval (RFTA), the Tenant/Owner Inspection Checklist and the Disclosure of Information on Lead-Based Paint or Lead-Based Paint Hazard form. KCDC will permit the family to submit only one RFTA unless the unit was in noncompliance with Housing Quality Standards (HQS), the rent amount would exceed 40% of the family's adjusted income, or other circumstances beyond the family's control. A family has seven (7) days to pick up their voucher if they were not present at the briefing due to unforeseen circumstances.

The terms of the HUD tenancy addendum shall prevail over any other provisions of the lease. KCDC will review the Request for Tenancy Approval, the lease and the HUD-required tenancy addendum and make an initial determination of approval of tenancy. KCDC may assist the family in negotiating changes that may be required for the tenancy to be approvable. Once it appears the tenancy is approvable, KCDC will schedule an appointment to inspect the unit within 15 days after the receipt of inspection request from the family and the owner. The 15-day period is suspended during any period the unit is unavailable for inspection, however, a unit must be available for inspection within thirty (30) days from the date of submitted Request for Tenancy Approval. Once inspected, the unit must pass inspection within thirty (30) days.

KCDC will promptly notify the owner and the family whether the unit and tenancy are approved.

Additional screening is the responsibility of the owner, however, upon request by a prospective owner, KCDC will provide factual information or third-party written information they have relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

If KCDC finds that the applicant/voucher holder had Utilities on 60 days prior to receiving the voucher, and the preference that was used was Displaced or Homeless, the voucher will be automatically withdrawn.

13.5 Term Of The Voucher

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

The initial term of the voucher will be 120 days and will be stated on the VASH Voucher.

The initial term of the voucher will be 120 days and will be stated on the Mainstream Voucher.

KCDC may grant one or more extensions of the term, but the initial term (plus any extensions) should not exceed 120 calendar days from the initial date of issuance. To obtain an extension, the family must make a request in writing prior to the expiration date or call to request an extension. A sample extension request form will be included in family's briefing packet. If the family requests an extension and additional time can reasonably be expected to result in success, KCDC will grant the length of request (sought by family) or an additional 60 days, whichever is less and additional 30 days if required as a reasonable accommodation.

If the family includes a person with disabilities, and the family requires an extension due to the disability, KCDC will grant an extension allowing the family the full 120 days search time as a reasonable accommodation. A disabled family may request a reasonable accommodation to receive 30 additional days on the search time provided the request is submitted no later than 10 days after the full 120 day search time.

Tolling: Upon submittal of a completed Request for Tenancy form, KCDC will suspend the term of the voucher. The term will be in suspension until the date KCDC provides notice that the request has been approved or denied. This policy allows families the full term (60 days, or more with extensions) to find a unit, not penalizing them for the period during which KCDC is taking action on their request. Additional extensions may be granted up to 60 days. This is called a tolling extension. With the exception of VASH and Mainstream voucher time which may not exceed 180 calendar days, total voucher time may not exceed 120 calendar days.

13.6 Approval To Lease A Unit

A. KCDC will approve a unit to be leased if all of the following conditions are met:

1. The unit is eligible;

2. The unit is inspected by KCDC, or an independent agency, and passes Housing Quality Standards (HQS). (If the property is owned by KCDC, it will be inspected by an independent agency).

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as July 1, 2024, but no later than July 1, 2025, based on when KCDC's software is able to submit to the Housing Information Portal (HIP).

Once implemented by HUD, KCDC will utilize NSPIRE Inspection Standards which will replace Housing Quality Standards (HQS).

3. The lease is approvable and includes the following language of the tenancy addendum:

- a. The names of the owner and the tenant;
- b. The address of the unit rented;
- c. The term of the lease (initial term and provisions for renewal)

The lease term will be for one year for the initial lease term and if an addendum is signed for the following year, the term will be one year.

- d. The amount of the monthly rent to owner;
- e. A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied the family; and
- f. The required HUD tenancy addendum;

4. The rent to owner is reasonable;

5. The family's share of rent does not exceed 40% of their monthly adjusted income if the gross rent exceeds the applicable payment standard;

6. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or KCDC;

7. If the family received a preference for displacement through the Rapid Rehousing Assistance and was in a unit for the previous six months through Rapid Rehousing, they will be considered as leasing in place and it will be permitted for them to lease the unit they were living in. Rapid Rehousing funds are temporary and clients are displaced once these funds are exhausted (six months). If the family is in the unit more than six months, they are not considered to be a displaced family under Rapid Rehousing funding and their voucher will be withdrawn.

8. The family continues to meet all eligibility and screening criteria; and

9. The owner does not owe property taxes fines or assessments more than one year delinquent.

- B. The lease term may begin only after all of the following conditions are met:

1. The landlord and tenant sign the lease to include the HUD-required addendum; (this will be done simultaneously with the Housing Assistance Payment Contract);
2. KCDC approved the leasing of the unit; and
3. Utilities are turned on in the tenant's name (if tenant is responsible for utilities). The unit address should correlate with The Utility Service Provider, the Metropolitan Planning Commission (MPC) and the United States Postal Service.

KCDC will prepare the Housing Assistance Payment Contract when the unit is approved for tenancy. The contract will be executed and become effective simultaneously with the signing of the lease and the HUD required tenancy addendum. KCDC will not pay any housing assistance to the owner until the contract is executed. New owners must provide a warranty deed or tax notice, tax Identification number or social security number, and direct deposit bank information. Additionally, owners must provide a warranty deed or tax statement for units that have not previously been on the program.

If a voucher family moves with continued assistance, the term of the new assisted unit may begin during the month the family moves out of the old assisted unit. Overlap of the housing assistance payment for the old unit for the month when the family moves out and the first housing assistance payment for the new unit is not considered duplicative subsidy. KCDC will overlap up to ten days of the housing assistance payment. If a family remains in the unit more than 10 days after signing the lease, the family will be responsible for the HAP as well as their portion of rent. KCDC will pay the HAP and charge the tenant for not moving in a timely manner.

13.7 KCDC Disapproval Of Owner

KCDC will deny participation by an owner at the direction of HUD. KCDC will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under a Section 8 Housing Assistance Payment Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- C. The owner has engaged in drug-related criminal activity or any violent criminal activity;
- D. The owner has a history or practice of noncompliance with HQS or NSPIRE if applicable for units leased under Section 8 or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- E. The owner has a history or practice of renting units that fail to meet state or local codes;
- F. The owner has not paid property taxes, fines, or assessments. KCDC will allow a one year grace period for delinquent taxes.
- G. The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity or for activity that threatens the health, safety, or right of peaceful enjoyment of the:
 - 1. Premises by tenants, KCDC employees, or owner employees; or
 - 2. Residences of neighbors.
- H. If the owner is the parent, child, grandparent, grandchild, sister or brother, or any member of the family of an applicant/ resident seeking to lease a unit or use a voucher (currently shopping), unless KCDC determines that approving the unit would provide a reasonable accommodation for a family member who is a person with disabilities.
- I. The owner refuses Direct Deposit;
- J. Owners who accept payments above Contract rent will have their property removed from the KCDC Rental Assistance program.
- K. Other conflicts of interest under federal, state, or local law.

13.8 Security Deposit

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged by the owner to unassisted tenants. Monthly cleaning fees are not permitted unless an owner chooses to do a monthly cleaning that would justify the monthly cleaning fee.

When the tenant moves from the dwelling unit, the owner, subject to state or local law, may use the security deposit (including any interest on the deposit) according to the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit, or for other amounts the tenant owes under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount (if any) used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

13.9 Ineligible/Eligible Housing

The following types of housing cannot be assisted under the Section 8 Tenant Based Housing Choice Voucher Program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services;

- D. College or other dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; and
- F. A unit receiving any duplicate federal, state, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

KCDC will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing

KCDC will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Duplexes
- D. Townhouses
- E. Manufactured housing
- F. Manufactured home space rentals
- G. Modular homes
- H. Home ownership option (if applicable)

14. Moves With Continued Assistance

Participating families are allowed to move to another unit after the initial 12 months has expired or if KCDC has terminated the HAP contract. KCDC will issue the family another voucher if the family does not owe KCDC money, has not violated a Family Obligation, has not committed serious or repeated violations of the lease and if KCDC has sufficient funding for continued assistance. Families participating in the Housing Choice Voucher Program will not be allowed to move more than once in any 12-month period and under no circumstances will KCDC allow a participant to improperly break a lease except under extraordinary circumstances such as medical reasons, police reports stating participant's life is in danger, inspection issues or other extraordinary circumstances.

14.1 When A Family May Move

For families already participating in the Voucher Program, KCDC will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;
- B. The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant, has obtained a court judgment or other process allowing the owner to evict the tenant; a non-renewal of lease or foreclosure occurs, or;
- C. The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).

If a family is evicted through court procedures due to repeated violations of the lease, the tenant may not be eligible to use voucher to relocate depending on the circumstances of the eviction.

Families are required to give proper written notice of their intent to terminate the lease. According to HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease for extraordinary circumstances such as medical reasons, police reports stating

participant's life is in danger, inspection issues. If tenant moves during the initial lease term without KCDC and the owner's approval, it will be considered a serious lease violation and subject the family to termination from the program.

After the initial lease term (12 months), the family is required to give KCDC a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to KCDC will be considered a violation of family obligations and may cause the family to be terminated from the program.

The owner is responsible for notifying KCDC simultaneous with tenant notification when an eviction, non-renewal of lease or foreclosure occurs.

If a landlord discovers a unit is abandoned, the landlord cannot enter the unit for 30 days, therefore, KCDC will pay the Housing Assistance Payment through the thirty (30) day abandonment period.

14.2 Vacancy Payments

KCDC reserves the right to implement vacancy payments to owners. If a family moves out of a Voucher unit, KCDC can make payments for the empty unit. This payment is called a vacancy payment. If an assisted family moves out of the unit, the owner has five days from the date the family moves out of the unit to request vacancy payment unless KCDC determines the owner is at fault for the vacancy. KCDC will begin vacancy the first day after the family moves out of the unit. The vacancy period will not exceed one full month following the move-out month.

The vacancy payment cannot be higher than the monthly rent to owner minus any part of the rental payment the owner already received. This includes amounts available from the security deposit. Any vacancy payment may only cover the period the unit remains vacant.

15. Portability

15.1 General Policies Of KCDC

A family whose head or spouse has a legal residence (or works) in the jurisdiction of KCDC at the time the family first submits its application for participation in the KCDC program, may lease a unit anywhere in the jurisdiction of KCDC or outside KCDC jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit. Any family wishing to port their voucher into the KCDC jurisdiction must have at least 30 days remaining on their initial voucher they are porting with.

If the head or spouse of the assisted family does not have a legal residence or work in the jurisdiction of KCDC at the time of its application, the family may not lease a unit outside of KCDC jurisdiction for a 12-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of KCDC.

Families may only move to a jurisdiction where a Section 8 Program is being administered.

For income targeting purposes, the family will count toward the Initial Housing Agency's goals unless the Receiving Housing Agency absorbs the family if absorbed, the admission will count toward the Receiving Housing Agency's goals.

If a family has moved from their assisted unit in violation of the lease, KCDC will not issue a voucher and will terminate assistance in compliance with Section 18.0, Termination of Assistance to the Family by KCDC.

If a family caused damage to the unit they previously vacated and has an agreement with the previous landlord to pay for the damages, the tenant must have signed permission from the previous landlord for the tenant to port from KCDC to another agency.

15.2 Income Eligibility

- A. A family must be income-eligible in the area where the family first leases a unit with assistance in the Voucher Program;
- B. If a porting family is already a participant in the Initial Housing Agency's Voucher Program, income eligibility is not recalculated.

15.3 Portability: Administration By Receiving Housing Agency

- A. When a family utilizes portability to move to an area outside the Initial Housing Agency jurisdiction, another Housing Agency (the Receiving Housing Agency) must administer assistance for the family if that Housing Agency has a tenant-based program covering the area where the unit is located. The Voucher holder porting their voucher must have 30 days remaining on their voucher when they port in to KCDC or out of KCDC.

- B. A Housing Agency with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such Housing Agency, the Initial Housing Agency may choose which Housing Agency shall become the Receiving Housing Agency.

15.4 Portability Procedures

A. When KCDC is the Initial Housing Agency:

1. KCDC will brief the family on the process that must take place to exercise portability. The family will be required to attend an applicant or movers briefing;
2. KCDC will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable);
3. KCDC will advise the family how to contact and request assistance from the Receiving Housing Agency;
4. KCDC will, within ten (10) calendar days, notify the Receiving Housing Agency to expect the family;
5. KCDC will mail to the Receiving Housing Agency the most recent HUD form 50058 (Family Report) for the family, and related verification information;
6. If the Housing Choice Voucher holder has 30 days remaining on their voucher time, the KCDC portable Housing Choice Voucher will be processed. If an additional time to find a unit is required, the Receiving Housing Authority may extend the KCDC portable Housing Choice voucher per HUD regulations.
7. In accordance with 24CFR 982.314(e), KCDC may deny a portability request to a client that is requesting portability to a higher cost area due to insufficient funding.

Insufficient funding means KCDC would be unable to avoid terminations of housing choice voucher assistance for current participants during the calendar year due to insufficient budgetary allocations (including any available HAP reserves) for housing assistance payments.

KCDC will provide written request to HUD when it is deemed necessary to deny moves to a higher cost unit or area based on insufficient funding.

If KCDC must deny portable moves due to insufficient funding, KCDC will post notices on the KCDC website and in the lobby located at 400 Harriet Tubman Street, Knoxville, Tennessee, 37915 to inform tenants. When a tenant requests portability, KCDC will also send a letter to the tenant explaining the policy. The tenant will be instructed that KCDC will contact them within six months to let them know whether funding is available. If funding is available, the tenant will be permitted to port their assistance at that time. If funding is not available during that six month time frame, KCDC will inform the tenant by letter when funding is available for portable moves.

B. When KCDC is the Receiving Housing Agency:

1. If funding is available under the consolidated ACC for KCDC's Voucher Program when the porting family is received, KCDC will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for KCDC's Tenant-Based Program. When funding is unavailable to absorb the voucher, KCDC will bill the initial housing authority.
2. If the port-in Housing Choice Voucher holder has 30 days remaining on their port Housing Choice Voucher, KCDC will issue a voucher to the porting family. The term of KCDC's voucher will not expire before the expiration date of any Initial Housing Agency's voucher. KCDC will determine whether to extend the voucher. An additional 30 day extension will be given for a voucher holder who experiences domestic violation during the term of the voucher issuance. Documentation will be required to determine the validity of the domestic violence situation. Also KCDC will give an additional 30 days if needed as a reasonable accommodation for a disability. A reasonable accommodation request form will be required to be completed to determine the need for the accommodation and extension.
3. KCDC will determine the family unit size for the porting family. The family unit size is determined according to KCDC's subsidy standards.
4. KCDC will notify the Initial Housing Agency if the family has leased an eligible unit under the program or if the family fails to submit a Request for Tenancy Approval for an eligible unit within the terms of the voucher.
5. If KCDC opts to conduct a new reexamination, KCDC will not delay issuing the family a voucher or otherwise delay approval of a unit unless the recertification is necessary to determine eligibility.
6. To provide tenant-based assistance for porting families, KCDC will perform Housing Agency program functions, such

as reexaminations of family income and composition. At any time, either the Initial Housing Agency or KCDC may make a determination to deny or terminate assistance to the family.

7. KCDC will conduct a new income reexamination and background screening for portable applicants/participants in accordance with (Section 4.0, of this Administrative Plan) and may deny or terminate assistance for family action or inaction according to 24 CFR 982.552 and 24 CFR 982.553.

C. Portability Billing:

To cover assistance for a porting family, the Receiving Housing Agency may bill the Initial Housing Agency for housing assistance payments and administrative fees. The billing procedure will be as follows:

1. The receiving PHA must submit an initial billing notice (1) no later than 10 working days following the date the HAP contract was executed and (2) in time that it will be received no later than 60 days following expiration of the family's voucher issued by the initial PHA.
2. As the Initial Housing Agency, KCDC will make payment within 30 days of receipt of Part II of the Form 52665 indicating billing amount. The amount of the housing assistance payment for a porting family in the Receiving Housing Agency's program is determined in the same manner as for other families in the Receiving Housing Agency's program. The Receiving Housing Agency's Payment Standard is used.
3. The Initial Housing Agency will promptly reimburse the Receiving Housing Agency for ongoing administrative fees for each unit month that the family receives assistance under the tenant-based program and is assisted by the Receiving Housing Agency.
4. The receiving PHA must notify KCDC of any change in the billing amount as soon as possible (preferably before the effective date to avoid retroactive adjustments) but in no circumstances any later than 10 working days following the effective date of the change.
5. KCDC will ensure that subsequent billing amounts are received no later than the fifth working day of each month for which the monthly billing amount is due.
6. Direct Deposit is required. The billing Housing Agency is required to submit Direct Deposit information so that KCDC may deposit HAP into their bank account.

16. Determination Of Family Income

16.1 Income, Exclusions From Income, Deductions From Income

To determine annual income, KCDC counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, KCDC subtracts all allowable deductions (allowances) as the next step in determining the Total Tenant Payment. KCDC will revise what is included in Annual Income set forth in 5.609 and 5.611 for Adjusted income once Section 102 of HOTMA and Section 104 of HOTMA become effective. Also changes to family assets will be implemented once HOTMA is finalized.

16.2 Income

A. Annual income means all amounts, monetary or not, that:

1. Annual income is Gross Income minus income exclusions. Adjusted income is annual income minus deductions.
2. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
3. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
4. Are not specifically excluded from annual income.

B. Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of

assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

3. Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment.

During reexaminations, KCDC will obtain each family's certification that it has not disposed of assets for less than fair market value.

If the family certifies that it has disposed of assets for less than fair market value the certification must show: (a) all assets disposed of for less than fair market value, (b) the date they were disposed of, (c) the amount the family received for each asset, and (d) the market value of each asset at the time of disposition. Third-party verification will be obtained for assets more than \$5,000.

- a. Assets with negative equity. The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.
 - b. Assets disposed of for less than fair market value. In determining the value of net family assets, KCDC must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.
 - c. An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.
 - d. Asset owned by business entity. If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets.
 - e. Jointly owned assets. For assets jointly owned by the family and one or more individuals outside of the assisted family, KCDC must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded, or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family. Likewise, any income from a jointly owned asset must be included in annual income, unless that income is specifically excluded, or unless the family demonstrates that they do not have access to the income from that asset, or that they only have access to a portion of the income from that asset.
4. The value of net family assets that exceeds \$50,000 and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.
 5. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in lump sum amount or in prospective monthly amounts are excluded).

KCDC may conduct streamlined annual reexaminations for any fixed-income source, irrespective of whether an individual or a family also has a non-fixed source of income. If the family receives income from social security, Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI), federal, state, local and private pension plans, annuities, other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts from any of these sources and the income consists solely of periodic payment at reasonably predictable levels then these are considered to be "fixed."

In a streamlined annual reexamination, upon admission to the program, third party verification must be obtained for all family members and a full reexamination of income and redetermination must likewise be performed every three years. A streamlined income determination may be performed for a family member with a fixed income source of income by applying to a previously determined or verified source of income a cost of living adjustment (COLA) or

interest rate adjustment specific to each source of fixed income. The COLA or current interest rate applicable to each source of fixed income must be obtained either from a public source or from tenant provided, third party generated documentation. In the absence of such verification for any source of fixed income, third party verification of income amounts must be obtained.

Under streamlined annual reexaminations, KCDC reserves the right to conduct annual reviews of low income families' income for eligibility requirements every three years. After the initial review of any family with a fixed income as defined by the HUD Secretary and consistent with HUD regulation (ie. Federal register and PIH notices), KCDC may conduct subsequent reexaminations every three years as opposed to every year. Family will certify that income consists of fixed income at a level defined by the HUD regulations. KCDC reserves the right to require online re-certifications.

6. Payment in lieu of earnings, such as unemployment and disability compensation, workers compensation, and severance pay. (However, lump sum additions such as insurance payments from workers' compensation are excluded).
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling. A lump sum payment for child support will be calculated by taking the annual amount and dividing by 12. A family will pay based on the average for the 12 month period. Sporadic child support will be calculated the same way. If a tenant states child support has stopped for 60 days and information from child support offices verifies this, we will remove the child support and make the tenant a special reporter.
8. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded);
9. Student financial assistance, Student financial assistance, other than the cost of tuition and mandatory student service fees as described by HUD, must be included in income if the full/part time student:
 - a. Is enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965;
 - b. Seeking or receiving Section 8 assistance separately from their parents; or
 - c. They are either under 24 years of age or they have no dependent children.
9. Comprehensive Work Therapy (CWT) – Veterans Health Administration (VHA) treatment program income will be determined on a case by case basis whether it will be included or excluded as temporary, nonrecurring or sporadic income.
10. Imputed welfare income resulting from sanctions imposed by welfare agency.

Families whose welfare assistance (Families First) is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement must not have their Section 8 contribution to rent reduced based on the Families First benefit reduction. The exclusion on reduction of Section 8 rent contribution does not apply when the family has complied with their Families First Program requirements but cannot obtain employment (i.e., the family has complied but loses welfare benefits because of a durational time limit, such as the five-year time limit for receipt of Families First benefits).

At all times when a request for an income reexamination and rent reduction due to a reduction of Families First income is received, KCDC will verify with the local division of the Department of Human Services (DHS) that the family's benefits have been reduced because of noncompliance with economic self-sufficiency requirements, work activities requirements, or because of fraud. Verification may be obtained, in written form, directly from the local DHS office, or through the ACCENT computer system. The verification will be maintained in the tenant file.

If verification is obtained from DHS that the family's benefits have been reduced because of noncompliance with economic self-sufficiency requirements, work activities requirements, or because of fraud, the family's income must not be reduced for purposes of calculating the family's TTP. Instead, the family's welfare income must be "imputed" during the term of the welfare benefits sanction.

KCDC will verify with DHS the term of the sanction.

To impute welfare reduction:

- a. Determine the amount of welfare income received prior to the sanction.
- b. Determine the term of the sanction.
- c. Offset the amount of additional income the family receives that starts after the welfare sanction. If additional income received after the welfare sanction begins is equal to the amount of welfare income received prior to the sanction, the imputed welfare income is equal to \$0.

Example: A family receives \$142 in welfare benefits prior to sanction for noncompliance. DHS identifies the term of the sanction as three (3) years. The family begins receiving \$100 income per month from the head of household's baby sitting job. The imputed welfare income is \$42. The \$100 employment income per month would be counted and \$42 per month is imputed welfare income during the three year sanction period (or until a change in income is reported).

KCDC will not include imputed welfare income in annual income if the family was not an assisted resident at the time of the sanction. If a resident is not satisfied that KCDC has calculated the amount of imputed welfare income according to HUD requirements, and if KCDC denies the family's request to modify such amount, then KCDC shall give the resident written notice of such denial, with a brief explanation of the basis for KCDC's determination of the amount of imputed welfare income. KCDC's notice shall also state that if the resident does not agree with the determination, the resident may dispute the decision according to our informal hearing policies.

Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through welfare agency's normal due process procedures. KCDC shall rely on the welfare agency notice to KCDC of the welfare agency's determination of a specified welfare benefits reduction.

11. When a family provides a notarized statement they are receiving support from another party as their source of income, the family is also required to provide a notarized statement from the other party regarding the support. The statement the participant provides must state they understand the income from the support will be counted for six months. The statement from the provider of the income must state they understand they are responsible to provide this income for at least six months.

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as January 1, 2024, but no later than January 1, 2025, based on when KCDC's software is able to submit to the Housing Information Portal (HIP).

- a. Higher Threshold for Imputing Asset Income: HOTMA raises the imputed asset threshold from \$5,000 to \$50,000, incentivizing families to build wealth without imputing income on those assets.
 - b. Asset Limitation: HOTMA imposes a \$100,000 asset limit for eligibility and continued assistance. Families are also ineligible for assistance if they own real property suitable for occupancy. PHAs have the option of delaying enforcement/termination for up to six months if the family is over the asset threshold at the time of annual reexamination.
 - c. Exclusion of Retirement and Educational Savings Accounts: Retirement accounts and educational savings accounts will not be considered a net family asset. This is a major benefit to families, incentivizing savings for important life milestones and opportunities. This will also provide significant administrative relief to KCDC by allowing them to stop verifying and calculating these assets altogether. • Adjustments for Inflation: Deductions and the asset limitation will be adjusted for inflation annually, ensuring that deductions do not lose value over time and that families are able to build more wealth without losing program assistance. The current deduction amounts have never been adjusted.
12. Day Laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income earned as a day laborer is not considered nonrecurring income under 24 CFR § 5.609 and must be included, unless specifically excluded in 24 CFR § 5.609(b).
 13. An independent contractor is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax. Income earned as an independent contractor is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b).
 14. A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Income earned as a seasonal worker is not considered nonrecurring income and must be included unless specifically excluded in 24 CFR § 5.609(b).

16.3 Exclusions From Income

Annual income does not include the following:

- A. Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

- B. The following types of trust distributions:
1. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
 - a. Distributions of the principal or corpus of the trust; and
 - b. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
 - i. For a revocable trust under the control of the family or household, any distribution from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
- C. Earned income of children under 18 years of age.
- D. Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
- E. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
- F. Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
- G. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
- H. Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.
- I. Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.
- J. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- K. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program; Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program.
- L. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
- M. Earned income of dependent full-time students more than the amount of deduction for a dependent.
- N. Adoption assistance payments for a child more than the amount of deduction for a dependent. Once the child is adopted, the income will no longer be excluded.
- O. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- P. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.
- Q. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

- R. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.
- S. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).
- T. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.
- U. Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.
- V. Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.
- W. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes: Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment. Direct Federal or State payments intended for economic stimulus or recovery. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received. Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received. Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries). Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
- X. Civil rights settlements or judgments, including settlements or judgments for back pay.
- Y. Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.
- Z. Income earned on amounts placed in a family's Family Self Sufficiency Account.
- AA. Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member: Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

16.4 Deductions From Annual Income

The following deductions will be made from annual income:

- A. \$480 for each dependent;
- B. \$400 for any elderly family or disabled family;
- C. To qualify for a deduction under a VA pension for disability, the tenant must be 51% or higher disabled;
- D. Allowance for disability assistance expenses that are anticipated for attendant care and auxiliary apparatus for a disabled

family member and that is necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are not paid to a family member or reimbursed by an outside source. The amount to be deducted cannot exceed the amount earned by a family member 18 years old or older who is enabled to work because of the disability assistance.

For non-elderly families, the disability assistance allowance is the lesser of:

1. The amount by which total expenses for disability assistance exceeds 3 percent of annual income; or
2. What a family is able to earn because the disability assistance allowance is available.

For elderly families, the 3 percent of annual income must first be deducted from disability assistance expenses and then any remainder deducted from medical expenses.

If a family has both medical and disability assistance expenses, first deduct 3 percent of annual income from the disability assistance expenses; any remainder is then deducted from total medical expenses.

- E. Medical expenses, for households whose head or spouse is at least 62 years of age or disabled that are not covered by insurance and are in excess of 3 percent of annual income:
1. That has an allowance for medical expenses equal to the amount by which the medical expenses exceed 3 percent of annual income;
 2. That has disability expenses greater than or equal to 3 percent of annual income, an allowance for disability assistance expenses computed in accordance with paragraph D, plus an allowance for medical expenses that equal the family's medical expenses;
 3. That has disability assistance expenses that are less than 3 percent of annual income, an allowance for combined disability assistance expenses and medical expenses that are equal to the total of these expenses less 3 percent of annual income.

Medical expenses include the costs of diagnosis, cure, mitigation, treatment, or the prevention of disease, and the costs for treatment affecting any part or function of the body. They include the costs of equipment, supplies and diagnostic devices needed for these purposes. They also include dental expenses. Medical expenses include the premiums paid for insurance that covers the expenses of medical care and the amounts paid for transportation to get medical care. Medical expenses also include amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.

- F. Child care expenses (for which the family is not reimbursed) for the care of children less than 13 years of age to the extent necessary to enable a family member to be gainfully employed, to further their education or seek employment. If child care is necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. The expense must be anticipated, that is, it must be for costs that a family expects to pay during a 12-month period following certification or recertification.

The earning cap on child care expenses applies only when the expenses enable a family member to work. It does not apply if the expenses enable a family member to seek work or to further his/her education.

If more than one family member works, the child care expenses will enable the lowest paid individual to work.

If a family member works and goes to school, KCDC will prorate the child care expenses so the portion that corresponds to the hours the family member works can be compared with the amount earned during those hours.

In cases where child care and disability assistance expenses are necessary to enable a family member to work, the sum of both child care and disability assistance expense cannot exceed the employment income of the family member enabled to work.

KCDC cannot decide who will provide the child care for the family's children or what type of care the children receive. KCDC cannot refuse to give a family the child care expense deduction because there is an unemployed adult family member in the household that may be available to provide the child care.

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as January 1, 2024, but no later than July 1, 2025, based on when KCDC's software is able to submit to the Housing Information Portal (HIP).

- a. Increased Standard Deduction for Elderly/Disabled Households: HOTMA increases standard deductions for families with a head, co-head, or spouse who is elderly or a person with a disability. A. \$480 for each dependent; B. \$525 for any elderly family or disabled family
- b. Threshold for Claiming Medical/Disability Expenses Increased: HOTMA increases the allowance for unreimbursed health and medical care expenses from 3% of annual income to 10%, phased-in over two years.
- c. Hardship Relief: HOTMA provides hardship relief for expense deductions, lessening the impact of the increased threshold for medical expenses. HOTMA permits KCDC to grant hardship relief to families unable to pay rent because of unanticipated medical/disability expenses and families who are no longer eligible for the childcare expense deduction.
- d. Adjustments for Inflation: Deductions and the asset limitation will be adjusted for inflation annually, ensuring that deductions do not lose value over time and that families are able to build more wealth without losing program assistance. The current deduction amounts have never been adjusted.

16.5 Cooperating With Welfare Agencies

KCDC and the local welfare agency agree:

- A. To target public assistance, benefits, and services to families receiving assistance in the public housing program and the Section 8 tenant-based assistance program to achieve self-sufficiency;
- B. To provide written verification to KCDC concerning welfare benefits for families applying for or receiving assistance in these housing assistance programs.

17. Verification

KCDC will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Before KCDC issues a voucher, information must be updated (if more than sixty (60) days old) to verify that an applicant is eligible. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, part-time/full-time student status of family member 18 years of age and older, Social Security numbers, citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

KCDC will use Up front Income Verification (UIV) tools, to the extent that tools/systems are available to KCDC, to verify income information before or during a family's reexamination of household income. UIV tools to be used include, but are not limited to, the following:

Department of Human Services (DHS) Accent system - Internet-based welfare benefit tool that allows KCDC to validate the accuracy of tenant-welfare assistance from an independent source that systematically and uniformly maintains tenant-welfare information in a computerized form for a large number of individuals.

Enterprise Income Verification (EIV) System – A HUD-provided Internet-based wage and benefit tool that allows KCDC to validate the accuracy of tenant-reported income from an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals and also matches Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data from PIC and TRACS databases.

Due to the sensitive nature of UIV data, KCDC will restrict access to and safeguard the information in accordance with guidance on security procedures, as issued and made available by HUD and DHS. Verification documents will be kept in the applicant/tenant file, when needed, and shredded/destroyed when no longer needed. Files will be kept in a secure area that requires electronic key entry by KCDC staff.

- A. The following types of income may be verified using the UIV systems:
 - 1. Gross Wages and Salaries (including overtime pay, commission, fees, tips, bonuses, and other compensation for personal services)
 - 2. Unemployment Compensation
 - 3. Welfare Benefits (DHS)
 - 4. Social Security Benefits
 - a. Social Security (SS)
 - b. Supplemental Security Income (SSI)

B. How KCDC Uses UIV Tools:

1. Enterprise Income Verification (EIV) Exceeds Threshold Report – KCDC will use the EIV system to generate the “Exceeds Threshold Report” periodically to compare the information with information provided by the family.
2. Using EIV to Project Income – KCDC will follow “HUD Guidelines for Projecting Annual Income When EIV Data is Available” in handling differences between EIV and family-provided and/or other verified income information. The guidelines establish criteria on whether a difference is substantial or not. HUD defines substantial difference as a difference of \$200 or more per month.
 - a. No Substantial Difference – If EIV information for a particular income source differs from the information provided by a family by less than \$200 per month, KCDC will follow these guidelines:
 - i. If the EIV figure is less than current family-provided information, KCDC will use the family’s information to calculate anticipated annual income.
 - ii. If the EIV figure is more than the family’s figure, KCDC will use the EIV data to calculate anticipated annual income unless the family provides documentation of a change in circumstances (i.e., change in employment, reduction in hours, etc.) to explain the discrepancy. Upon receipt of acceptable family-provided documentation of a change in circumstances KCDC will use the family-provided information.
 - iii. KCDC will not require use of the EIV during interim reexaminations.
 - b. Substantial Difference – If EIV information for a particular income source differs from the information provided by a family by \$200 or more per month, KCDC will follow these guidelines:
 - i. KCDC will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).
 - ii. When KCDC cannot readily anticipate income (i.e., in cases of seasonal employment, unstable working hours, or suspected fraud), KCDC will review historical income data for patterns of employment, paid benefits, and/or receipt of other income.
 - iii. KCDC will analyze all EIV, third-party, and family-provided data and attempt to resolve the income discrepancy.
 - iv. KCDC will use the most current verified income data (and historical income data, if appropriate) to calculate anticipated annual income.
3. Verification of SS/SSI Benefits of Participants and Household Member – KCDC will obtain verification of SS/SSI benefits of participants and household members through HUD’s Enterprise Income Verification (EIV) System. If benefit information is not available in HUD Systems or if the tenant disputes EIV benefit data, KCDC will request a current, original SSA notice or benefit verification letter from each household member that receives Social Security benefits within 10 business days of KCDC’s interview date. If the participant and/or household member(s) are unable to provide the requested document, KCDC will ask the participant/household member(s) to call the SSA or visit the local SSA office to request a benefit verification letter. The request for a benefit Verification letter can also be made at the SSA Internet Website. The participant/household member(s) should provide KCDC with the original benefit verification letter. KCDC will make a photocopy of the original benefit verification letter, return the original benefit verification letter to the participant/household member, and maintain the photocopy of the benefit verification letter in the tenant file. (This same process can be used when third-party verification of SS/SSI benefits is not available for applicants and/or household members.)

KCDC may conduct streamlined reexaminations for families on fixed incomes when 100% of their income comes from social security, Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI), federal, state, local and private pension plans, other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits and other similar types of periodic receipts that are of substantially the same amounts from year to year.

In a streamlined reexamination, KCDC will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

4. Documentation of Unavailability of Third-Party Verification of SS/SSI Benefits – In the event that third-party verification is not available, KCDC will document the tenant file as to why third-party verification was not available. Below are some examples of acceptable file documentation:
 - a. New admission, information not available in EIV Tools;
 - b. New tenant, information not available in EIV Tools;
 - c. Current tenant, information not available in EIV Tools due to change in re-examination date;
 - d. Current tenant, information not available in EIV Tools due to discrepancy with name, date of birth, or social security number in SSA file; and

e. Current tenant, information not available in EIV Tools, reason unknown.

C. Methods of Verification and Time Allowed – KCDC will verify family information through the five methods of verification authorized by HUD. HUD requires KCDC to use the most reliable form of verification that is available and to document in the file the reasons when KCDC uses a lesser form of verification. In order of priority, forms of verification that may be used are:

1. Up-front Income Verification tools/systems (UIV), whenever available
2. Third-party Written
3. Third-party Oral
4. Six consecutive check stubs
5. Review of Documents
6. Self-Certification/Declaration

KCDC will allow four (4) weeks for return of third-party verifications and ten (10) days to obtain other types of verifications before going to the next method.

The notification letter will provide the items needed for the application to be complete. The notification letter will be sent to the applicant and required to be returned, with all requested information, within 14 days. Failure to do so will result in the applicant being withdrawn from the waiting list in which they applied for. At applicant request, KCDC may e-mail the notification letter to the applicant with the stipulation the requested information must be returned within 14 days from the sent e-mail date. KCDC has the option to send the notification letter by the United States Postal Service.

Verifications may not be more than 60 days old at the time of voucher issuance. For participants, verifications must be dated within 60 days of reexamination.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action will be taken against a family until KCDC independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal hearing process of KCDC.

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as January 1, 2024, but no later than January 1, 2025, based on when KCDC's software is able to submit to the Housing Information Portal (HIP).

17.1 Acceptable Methods Of Verification

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family.

- A. Third-party written verification will be used to verify information directly with the source. Third-party written verification forms will be sent directly to, and received directly from (via first-class mail), the source and not passed through the hands of the family. However, KCDC may request and receive directly from the source verifications electronically (fax or e-mail) or hand delivered. The family will be required to sign an authorization for the information source to release the specified information.
- B. Third-party oral verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used (either by contacting source by telephone or in-person visit), staff will be required to note the name of the person contacted and telephone number, the date of the conversation, and the facts provided. If provided by telephone, KCDC will originate the call.
- C. Review of Documents: When third-party written or oral verification cannot be obtained, or the information has not been verified by the third party within a four week period of time, KCDC will note in the file why third-party verification is not available and utilize hand-carried documents provided by the applicant/participant family as the primary source if the documents provide complete information. Original documents must be provided by the family and should be dated within 60 days of the interview. Photocopies of the documents will be made and maintained in the file. The chart in the Appendix gives common examples of verifications.

Below is a list of some acceptable family-provided documents:

1. Consecutive and original pay stubs. Six weeks of current pay stubs are requested;

2. Social Security Administration award letter;
3. Bank statements;
4. Pension benefit statements;
5. TANF award letter;
6. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling may be obtained by court ordered documents, verification from Child Support office/Human Services office or a notarized statement from the source of the child/family support.
7. Other official and authentic documents from a Federal, State, or local agency.

If third-party verification is received after documents have been accepted as temporary verification and there is a discrepancy, KCDC will utilize the third-party verification.

- D. Self-Certification/Self-Declaration: When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certifications must be signed in the presence of a KCDC representative or KCDC notary public and KCDC will document the file why third-party verification was not available.
- E. Exceptions to Third-party Verification Requirements: When third-party verification of income, assets, and/or expenses is unavailable, an exception may be made to the third-party verification requirement if:
 1. KCDC made at least two documented attempts to obtain third-party verification;
 2. The source does not have the capability to provide written or oral third-party verification;
 3. The asset or expenses to be verified is an insignificant amount, thus it is not cost effective or reasonable to obtain third-party verification;
 4. Food stamps may be self-certified.

F. Actions KCDC May Take:

1. KCDC may exercise any of the following options if the family has not reported accurate income information:
 - a. Require repayment agreement up to \$2,400 with no more than 24 months to repay;
 - b. Revise current and future rent payments; and
 - c. Initiate termination proceedings.
2. Action to be Taken When Tenant Agrees with Discrepancy:

An appointment will be scheduled for the family to meet with KCDC staff to discuss the income discrepancy. If the tenant agrees with the discrepancy, and retroactive charges accessed do not exceed \$2400, the family will be given the opportunity to sign a repayment agreement for the retro charge owed with up to 24 months to repay as long as another promissory agreement does not exist. If tenant fails to show to sign the promissory agreement, the assistance will be terminated. If the amount owed to KCDC exceeds \$2400, the family's assistance will be terminated. The family will be given an opportunity to contest any adverse findings through KCDC's informal hearing process. If a tenant is terminated for failing to pay on the promissory and wants to reapply, the amount must be paid in full and the family must prove they have lived in the community for three (3) years in good standing before an application can be submitted for any KCDC Section 8 program. If the applicant files a bankruptcy to dismiss the amount owed to KCDC, the applicant must provide proof they have lived in the community in good standing for three (3) years.
3. Action to be Taken When Tenant Disagrees with Discrepancy:

If the tenant disagrees with the discrepancy, the burden of proof will be placed on the tenant to show why a discrepancy does not exist. When the discrepancy involves wages, the tenant must contact and resolve the issue with the employer. The tenant will be given a reasonable amount of time, but not to exceed 4 weeks, to resolve the matter. If the family cannot provide proof that the discrepancy is in error and if retroactive charges accessed exceed \$2400, the family's assistance will be terminated with charges added to their move-out balance. At this time the family will have a right to an informal hearing. If the tenant can provide proof that the discrepancy was in error, the retroactive charges will be dismissed. If a discrepancy does exist and retroactive charges are accessed but do not exceed \$2400, the family will be given the opportunity to sign a repayment agreement for a period of not more than 24

months to repay as long as another promissory agreement does not exist. If tenant fails to show to sign promissory, the assistance will be terminated.

If tenant acquires another retroactive charge, the assistance will be terminated.

- G. File Documentation: KCDC will document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that KCDC has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.
- H. File Retention: Once a participant leaves the Section 8 program the applicant/participant records will be retained by KCDC for a period of not less than three (3) years. Due to the increase in paperwork in a current tenant file, KCDC may scan paperwork in a file when the paperwork is over three years. Certain items in the file will be retained in hard copy such as the original application, social security cards, picture identification, and the Citizenship form for each household member, current lease and supporting documents. The HUD form 50058 will be maintained for three years during the term of the lease and for a period of 3 years from the end of participation date (EOP). The 50058's that are not printed for the file are available on the computer to print for audit purposes.

17.2 Verification Of Medical Expenses

To verify medical expenses, KCDC will attempt third-party verification of medical expenses from appropriate sources. If third-party verification is not available, KCDC will request the tenant to provide documents such as receipts, cancelled checks, or paycheck stubs for verifying medical insurance premiums. Also the tenant will be asked to provide receipts for payments to physicians to verify medical costs. Previous medical bills that have been paid in full will not be included.

17.3 Verification Of Deduction For Child Care Expenses

To adequately verify child care expenses, KCDC must verify the family qualifies for the deduction. After verifying the age of the child/children receiving child care, KCDC must verify the qualifying activity in which the family is taking part and that the expenses are not reimbursed by another source.

17.3.1 Verification Of Qualifying Activity:

- A. Gainfully Employed – For family members who are gainfully employed, KCDC will use employment verification to confirm the family's eligibility for the child care expense.
- B. Actively Seeking Employment – To verify that an individual is actively seeking employment, KCDC will first attempt third-party verification which could include information that the individual is fulfilling the requirements for receiving unemployment compensation or verification from a local or state government agency that oversees work related activities. If third-party verification is impossible to obtain, KCDC will verify that a family member is actively seeking employment by obtaining a certification from the family member attesting to his or her efforts to find employment.
- C. Furthering his/her education – KCDC must verify that the family member is a student. The information provided by the student or the institution should confirm that the student is, in fact, enrolled; and specify details about the timing of classes in which the student is enrolled.
- D. Verification that Expenses not reimbursed by another source – KCDC may use documents supplied by the family such as bills, receipts or cancelled checks. If such verification is not available, KCDC will request a written third-party verification form from the child care provider.

Only reasonable expenses are deductible. Reasonable means reasonable for the care provided. (See item 10.4 (F) for reasonable expenses).

17.4 Verification Of Citizenship Or Eligible Noncitizen Status

The citizenship/eligible noncitizen status of each family member regardless of age must be determined. Citizenship/eligible noncitizen status will be verified only once. This verification will be obtained prior to admission and prior to a new member joining the resident family.

Prior to being admitted, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted, all eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. KCDC will make a copy of the individual's INS documentation and place the copy in the file. KCDC also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, KCDC will mail information to INS so a manual check can be made of INS records.

Family members, who do not claim to be citizens, nationals, or eligible noncitizens, must be listed on a statement of non-eligible members, and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the Section 8 Program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the delay is caused by the family.

If KCDC determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizen listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.

17.5 Verification Of Social Security Numbers

New family members and children must have social security documentation prior to being added to a lease. Prior to being added to the lease to any Section 8 Rental Assistance Program, all members must have verification of their Social Security number. If a member indicates that they have a Social Security number, but cannot readily verify it, the member must provide a letter from the Social Security Administration or other federal or state government agency. All children must have a Social Security card or Social Security letter prior to being added to the lease. If a child under the age of six (6) years of age was added to the assistance applicant household within the six (6) month period prior to the household's date of voucher issuance, the assistance applicant may become a participant, so long as the documentation required is presented to KCDC within 90 days from date of admission into the program which means by the effective date of the Housing Assistance Payment Contract. KCDC will grant an additional 90 day period if it is determined the assistance applicant's failure to comply was due to circumstances beyond their control. Failure to provide the social security card within these timeframes may result in withdrawal of application or termination of assistance. If the documentation is not provided within the allotted time, the admission will be denied. Verification of the Social Security number will be obtained only once. The verification of the Social Security number must be the original Social Security card. If the name on the Social Security card and the picture ID do not match, KCDC will use the Social Security card name and require proof of the change of name. The proof will be derived from marriage license or other court documentation.

17.6 Timing Of Verification

Information must be updated (if more than sixty (60) days old) to verify that an applicant is eligible. Verification information for tenants must be dated within sixty (60) days of their reexamination. If the verification is older than sixty (60) days, the source will be contacted and asked to provide information regarding any changes. When an interim reexamination is conducted, KCDC will verify and update all information related to family circumstances and level of assistance.

18. Rent And Housing Assistance Payment

18.1 Rent Reasonableness

Program regulation requires KCDC to certify that the rent charged to the housing choice tenant is not more than the rent charged for other unassisted comparable units. KCDC will not approve an initial rent (or a rent increase) in any of the tenant-based programs without determining that the rent amount is reasonable. Rent reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved, owner must make the request in writing 60 days prior to the end of the lease period which is usually the annual recertification month. If the rent increase is requested after recertification, the owner may be required to wait until the next recertification date to increase the rent. If owner is eligible for a rent increase, only one increase per year is permitted. KCDC reserves the right to only allow a 20% increase in a one year period without substantial upgrades to the property since the last inspection.

- B. If sixty (60) days before the contract anniversary date there is a 10 percent decrease in the published Fair Market Rents as compared to the previous FMR; and If KCDC or HUD directs that rent reasonableness be redetermined.
- C. For KCDC owned Units under the Project Based Voucher Program, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for the KCDC owned units to KCDC and to the HUD field office where the project is located.

18.2 Rent Reasonableness Comparability

Each unit inspected will be certified by an independent entity that the approved contract rent is reasonable in relation to rents charged for comparable units in the private unassisted market. A lease of an unassisted unit may be requested when determining rent reasonableness. Factors taken into account will be:

- A. Bedroom Size
- B. Unit Type
- C. Square Footage
- D. Location
- E. Unit
- F. Age
- G. Amenities
- H. Housing Services/Maintenance
- I. Utilities provided by Owner

1. Rent Reasonableness Methodology

The KCDC rent reasonableness system is based on unit comparison per the criteria listed above. KCDC will use the Third-party vendor's methodology for rent comp verification. KCDC currently requires a minimum of two comparable units in order for the unit to pass the rent reasonableness test. Information on unassisted units are maintained in our automated database and are updated or purged biennially. Rent Reasonableness Scope of service if Third-party vendor does not do inspections.

a. Initials

KCDC will provide Initial inspection report on subject property by email with the following information:

- i. Landlord name and phone number
- ii. Property address
- iii. Tenant name if applicable
- iv. Requested rent if applicable
- v. Year Built
- vi. Number of bedrooms and baths
- vii. Structure type
- viii. Square footage
- ix. Utilities and who is responsible
- x. Amenities (ex: Washer/Dryer, Dishwasher, Parking, etc.)

Third-party vendor will provide an Initial Rent Reasonableness report (PDF) with 3 comparable properties and return to KCDC by email to KCDC designated contact person within 24 hours from time the initial inspection report was received by the Third-party vendor. If a rent roll is needed from landlord, Third-party vendor will email KCDC contact person regarding the request.

b. Annuals

- i. KCDC will provide Rent Increase request forms and/or Annual inspection report by email with the same information above. Third-party vendor's may use an Annual Increase Template spreadsheet.

- ii. Third-party vendor will provide an Annual Rent Reasonableness report (PDF) with 3 comparable properties and return to KCDC by email to KCDC designated contact person within 5 business days from time the annual increase is received by the Third-party vendor. If a rent roll is needed from landlord, the Third-party vendor will email the KCDC contact person regarding the request.
- iii. The Third-party vendor will save KCDC PDF Rent Reports up to 2 years or as long as they remain as the Third-party vendor.
- iv. Third-party vendor shall follow HUD's guidelines for Rent Reasonableness and update their comparable database annually.

2. Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent controlled by local ordinance.

3. Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units if the premises include more than 4 units. By accepting the KCDC payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give KCDC information regarding rents charged for other units on the premises. Owners are invited to submit information at any time. Owners may review the determination made of their unit and may submit additional information or make improvements to the unit that will enable KCDC to establish a higher rental value market.

18.3 Maximum Subsidy

The Fair Market Rent (FMR) published by HUD and the payment standard established by KCDC, or, if applicable, the exception payment standard rent determines the maximum subsidy for a family. KCDC may grant exceptions to payment standards up to 120% of Fair Market Rent when a family requests it as a reasonable accommodation due to their disability and can verify why they are requesting the exception/increased payment standard (see Section 1.2 on requesting a reasonable accommodation). This approval for an increased payment standard as a reasonable accommodation does not need HUD approval.

For the Housing Choice Voucher Program, the minimum payment standard will be 90 percent of the FMR and the maximum payment standard will be up to 110 percent of the FMR, or the exception payment standard (if applicable).

For a voucher tenancy in an insured or non-insured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project, the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

KCDC may adopt, with HUD notification, Small Area Fair Market Rent (SAFMR) Exception Payment Standards by zip code area if deemed beneficial for the success of KCDC program participants locating affordable housing. Effective October 1, 2024, HUD will require KCDC to implement SAFMR's for all zip code areas. As a Moving to Work (MTW) flexibility, KCDC requested a waiver to forego the implementation of mandatory SAFMR's for all zip codes. The waiver was approved and KCDC will use payment standards and optional SAFMR areas.

For manufactured home space rental, the maximum subsidy under any form of assistance is the Fair Market Rent for the space as outlined in 24 CFR 982.888.

18.3.1 Setting the Payment Standard

The Statute requires that the payment standard be set by KCDC between 90 and 110 percent of the FMR without HUD approval. KCDC will review its determination of the payment standard annually after publication of the FMRs. KCDC will consider vacancy rates and rents in the market area, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Housing Choice Voucher Program. If it is determined that success rates will suffer or that families are being made to pay over 40 percent of income for rent, the payment standard may be raised to the level judged necessary to alleviate hardships.

Before increasing any payment standard, KCDC will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

If success levels are projected to be extremely high and rents are projected to be at or below 30 percent of income, KCDC will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one-bedroom size may increase or decrease while another remains unchanged.

KCDC may opt to lower payment standards. A lower payment standard applies immediately to all new admissions, all movers, and stayers with a new HAP contract (i.e., when the owner offers or requires a new lease). KCDC will not reduce the payment standard applied to a family as a result of a reduction in the fair market rent (FMR). For all other voucher participants, decreased payment standard amounts are not applied until the second regular reexamination after the payment standard is lowered. KCDC may request HUD to waive the requirement for good cause.

KCDC may approve a higher payment standard (if not more than 120% of fair market rent) as a reasonable accommodation for a disabled family. Mandatory reasonable accommodation request forms must be completed and returned to KCDC for this to be considered. (See Section 1.2 on requesting a reasonable accommodation)

KCDC may adopt, with HUD notification, Small Area Fair Market Rent (SAFMR) Exception Payment Standards by zip code area if deemed beneficial for the success of KCDC program participants locating affordable housing. Effective October 1, 2024, HUD will require KCDC to implement SAFMR's for all zip code areas. As a Moving to Work (MTW) flexibility, KCDC requested a waiver to forgo the implementation of mandatory SAFMR's for all zip code areas. The waiver was approved and KCDC will use payment standards and optional SAMFR zip code areas.

18.3.2 Area Exception Rents (If Applicable)

To help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, KCDC may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. KCDC may request one such exemption payment standard area or many. Exception payment standard rent authority may be requested for all or some unit sizes or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such time as KCDC requests (and HUD approves) a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

18.4 Assistance And Rent Formulas

A. Section 8 Vouchers

1. Section 8 Vouchers The payment standard is set by KCDC between 90 percent and 110 percent of the FMR or higher (if applicable). KCDC reserves the right to use Small Area Fair Market Rent (SAFMR) exception payment standards for specified zip code areas if deemed beneficial for the success of KCDC program participants locating affordable housing. Effective October 1, 2024, HUD will require KCDC to implement SAFMR's for all zip code areas. As a Moving to Work (MTW) flexibility, KCDC requested a waiver to forgo the implementation of mandatory SAFMR's for all zip code areas. The waiver was approved and KCDC will use payment standards and optional SAMFR zip code areas.
2. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard.
3. No participant when initially receiving tenant-based assistance on a unit shall pay more than 40 percent of their monthly-adjusted income if the gross rent exceeds the applicable payment standard.

B. Total Tenant Payment

The total tenant payment is equal to the highest of:

1. 10 percent of monthly income;
2. 30 percent of adjusted monthly income; or
3. Minimum rent.

C. Minimum Rent

KCDC has set the minimum rent as \$50.00 for the Section 8 Rental Assisted programs. If the family requests a hardship exemption, KCDC will suspend the minimum rent for the family beginning the month following the family's hardship

request. The suspension will continue until KCDC can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

1. A hardship exists in the following circumstances:
 - a. When the family has lost eligibility for (or is awaiting an eligibility determination for) a federal, state, or local assistance program;
 - b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
 - c. When the income of the family has decreased due to changed circumstances, including loss of employment;
 - d. When the family has an increase in expenses because of changed circumstances, for medical costs, child care, transportation, education, or similar items;
 - e. When a death has occurred in the family.
2. No hardship. If KCDC determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to KCDC for the time suspension.
3. Temporary hardship. If KCDC determines there is a qualifying hardship, but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90 day period, the minimum rent will be imposed retroactively to the time of suspension. KCDC will offer a reasonable repayment agreement for any minimum rent back payment paid by KCDC on the family's behalf during the period of suspension.
4. Long-term hardship. If KCDC determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals. The family may use the informal hearing procedure to appeal KCDC's determination regarding the hardship.

D. Section 8 Preservation Vouchers/Enhanced Vouchers

1. Payment Standard
 - a. The payment standard for a family that stays in the same unit and receives enhanced voucher assistance will receive a special payment standard:
 - ii. If the gross rent exceeds the PHA's payment standard, the payment standard used to calculate the voucher housing assistance payment is the gross rent of the unit. (New rent to owner plus the applicable PHA utility allowance);
 - iii. If the gross rent is less than the PHA's payment standard, the regular payment standard rules apply.
 - b. If the dwelling unit is in an exception area, KCDC will use the appropriate payment standard for the exception area.
2. HAP equals the gross rent for the unit minus the greatest of:
 - a. 30 % of adjusted monthly income; or
 - b. 10 % of gross monthly income; or
 - c. Applicable enhanced voucher minimum rent; or
 - d. Other minimum rent established by the PHA as authorized by Federal Law.

E. Manufactured Home Space Rental: Section 8 Vouchers

1. The payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.
2. The space rent is the sum of the following as determined by KCDC:
 - a. Rent to the owner for the manufactured home space;
 - b. Owner maintenance and management charges for the space; and
 - c. Utility allowance for tenant paid utilities.
3. The participant pays the rent to owner less the HAP
4. HAP equals the lesser of:
 - a. The payment standard minus the total tenant payment; or

- b. The rent paid for rental of the real property on which the family-owned manufactured home is located.

F. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. KCDC will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, KCDC will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent and utilities.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated tenant rent equals the prorated family share minus the full utility allowance.

18.5 Utility Allowance

KCDC maintains a utility allowance schedule for all tenant-paid utilities (except telephone and cable), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services.

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, normal patterns of consumption for the whole community and current utility rates are used.

Utility allowance schedules are reviewed annually by the state of Tennessee's housing agency, Tennessee Housing Development Agency (THDA), and revised if any allowance for a utility category had a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. THDA maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by contacting THDA.

A voucher holder's utility allowance is based on the bedroom size of the voucher for which the household qualifies regardless of the size of the unit leased. KCDC may approve a utility allowance that is higher than the applicable utility schedule if needed as a reasonable accommodation.

At each reexamination, KCDC applies the utility allowance from the most current utility allowance schedule.

The utility allowance is subtracted from the family's share to determine the amount of the tenant rent. The tenant rent is the amount the family owes to the owner each month. The amount of the utility allowance is still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belongs to the tenant and will be sent to the utility company for the tenant.

Tenant-supplied utilities must be in the name of the head of household, unless a reasonable accommodation must be made for a person with disabilities.

18.6 Distribution Of Housing Assistance Payment

KCDC pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge KCDC a late payment, agreed to in the Contract and according to generally accepted practices in the KCDC jurisdiction.

- A. It is the owner's practice to charge such penalties for assisted and unassisted tenants; and
- B. The owner also charges such penalties against the tenant for late payment of family rent to the owner. Late charges will not be paid when the reason for the lateness is attributable to factors beyond the control of KCDC.

18.7 Change Of Ownership Or New Ownership

KCDC requires a written request by the owner who executed the HAP contract to make changes regarding who is to receive KCDC's rent payment or the address where the rent payment should be sent.

In addition, KCDC requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Property Tax Notice, Settlement Statement, or Deed of Trust showing the transfer of title address,
- B. Tax identification Number or Social Security Number,
- C. Direct Deposit information:

Once KCDC receives account information for the direct deposit, payments will be deposited in the bank the first of the next month for the housing assistance payment unless it is after the 20th of the month when direct deposit information is received. If after the 20th of the month, the direct deposit payment for housing assistance will be deposited the second month after KCDC receives the direct deposit information.

When setting up an owner deposit account for Section 8 Housing Assistance Payments (HAP), KCDC requires the "Change to Landlord forms packet", including a voided check, filled out completely. If a voided check is not available, a statement from the bank on letterhead with the routing number and account number will be acceptable. An owner/manager may only set up one bank account at a time for receiving Section 8 HAP.

New Ownership

New owners will be required to execute IRS form W-9. KCDC may withhold the rent payment until the Taxpayer Identification Number is received. The following documents are required from the owner:

- A. Property Tax Notice, Settlement Statement, or Deed of Trust showing proof of ownership.
- B. Tax Identification Number or Social Security Number, and
- C. Direct Deposit information:

Once KCDC receives account information for the direct deposit, payments will be deposited in the bank the first of the next month for the housing assistance payment unless it is after the 15th of the month when direct deposit information is received. If after the 15th of the month, the direct deposit payment for housing assistance will be deposited the second month after KCDC receives the direct deposit information.

If any direct deposit is returned to KCDC, once the direct deposit information is updated, the redeposit will be made on the first business day of the following month.

When setting up an owner deposit account for Section 8 Housing Assistance Payments (HAP), KCDC requires the "Change to Landlord forms packet", including a voided check, filled out completely. If a voided check is not available, a statement from the bank on letterhead with the routing number and account number will be acceptable. An owner/manager may only set up one bank account at a time for receiving Section 8 HAP.

At initial leasing or recontracts, all owners will be required to provide proof that property taxes are not over one year in arrears.

19. Inspection Policies and Housing Quality Standards or Inspire if applicable.

KCDC or (an independent inspection agency), will inspect all units, with the exception of KCDC-owned property, to ensure that they meet the Housing Quality Standards (HQS), or NSPIRE if applicable. Once implemented by HUD, KCDC will utilize NSPIRE Inspection Standards which will replace Housing Quality Standards (HQS).

KCDC-owned properties will be inspected by an independent inspection agency at no charge to the family. No unit will be initially placed on Section 8 unless the HQS or NSPIRE if applicable is met. Once Moving to Work (MTW) cohorts and/ or The Housing Opportunity Through Modernization Act (HOTMA) of 2016 are approved by HUD, KCDC will utilize triennial inspections depending on a property's previous inspection score. Units will be inspected at least biennially. For each assisted dwelling unit, KCDC may make inspections not less often than biennially during the term of the HAP contract for a unit to determine whether the unit is maintained in accordance with Housing Quality Standards (HQS) or NSPIRE if applicable. KCDC may inspect units at other times as needed to determine if the unit meets HQS or NSPIRE if applicable.

KCDC or (an independent inspection agency) will use the HUD-52580-A Long Form for inspections with the exception of the following pages: 2, 4, 6, 8, 13, 15, 17, and 20. All of these pages, except 20, are instructional pages. Page 20 is an optional page. Although the pages will be removed from the inspection form, the inspectors will have them in their possession for informational purposes for owners. If an owner chooses to review the inspection form, the inspector will provide them the entire inspection form. The purpose of removing the instructional pages is to make the inspection form more manageable – 12 pages instead of 20 pages. KCDC or (an independent inspection agency) may also use NSPIRE if applicable. for performing inspections.

KCDC or (an independent inspection agency) must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and owner will be notified of the inspection appointment by first-class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule 24 hours before the inspection or make arrangements to enable KCDC or (an independent inspection agency) to enter the unit and complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, KCDC or (an independent inspection agency) will consider the family to have violated a Family Obligation and their assistance may be terminated. If the family calls to request an informal hearing to dispute the termination, one more chance may be given and the family may be obligated to sign a statement of understanding stating if they miss another appointment for inspection, they will lose their assistance. Once a statement of understanding is signed, it will remain in effect for 24 months.

Owners and families are obligated to sign the "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" at each initial lease signing. Owners with units built before 1978 that are occupied or will be occupied with a child or children under six years of age, (excluding zero bedroom dwellings) must comply with HUD Lead Based Paint regulations at 24 CFR Part 35 and 982.401

19.1 Types of Inspections

KCDC or an independent inspection group will perform seven types of inspections:

- A. Initial Inspection – An inspection that must take place to insure that the unit passes HQS or NSPIRE if applicable. before assistance can begin. A unit must be available for inspection within thirty (30) days from the date of submitted Request for Tenancy Approval.
 1. If more than 10 deficiencies are found on an initial inspection, the unit will be considered not ready and the inspection will be rescheduled.
 2. If the owner supplied appliances are not in the unit on an initial inspection, the unit will be considered not ready and the inspection will be rescheduled.
 3. If all utilities are not on at an initial inspection, the unit will be considered not ready and the inspection will be rescheduled.Once inspected, the unit must pass inspection within thirty (30) days. Once unit passes inspection, the inspection is valid for 60 days.
- B. Annual/Biennial/Triennial – Triennial Inspections- An inspection conducted every three years to determine the unit continues to meet HQS or NSPIRE if applicable. Biennial Inspections- An inspection conducted every two years to determine the unit continues to meet HQS or NSPIRE if applicable. Annual Inspections- An inspection conducted every year to determine the unit continues to meet HQS or NSPIRE if applicable.
- C. Complaint Inspection – An inspection caused by the housing agency receiving a complaint on the unit by anyone. If KCDC receives more than three complaints on the same property within a five year period, the property will be removed from the Section 8 program.

- D. Special Inspection – An inspection caused by a third party, i.e., HUD, needing to view the unit.
- E. Emergency – An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- F. Quality Control Inspection – Quality Control Inspection: KCDC or the Third party vendor will conduct Quality Control Inspections. The records will be drawn in an unbiased manner and reviewed by a KCDC or an independent inspector’s supervisor. The supervisor’s reinspected sample will be drawn from recently completed HQS inspections and will be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.
- G. Reinspection – KCDC may elect to do a reinspection to comply with 982.404(a) (3) to verify that all HQS deficiencies have been corrected. However, a reinspection is not necessary if KCDC can obtain verification through other means such as an owner’s certification that required repairs were made and then KCDC will verify that action at the next on site inspection. KCDC may elect to accept a self-certification signed by the owner and the tenant the repairs have been completed, except on initial inspections, life threatening inspections or if an inspection has more than ten deficiencies. If Independent Inspection Company or KCDC receive the completed self-certification form by the deadline date, the unit will pass inspection as of the date the completed form is received and the scheduled physical re-inspection will be cancelled.
- H. Remote Video Inspections (RVI’s)-KCDC or an Independent Inspection Group reserves the right to conduct Remote Video Inspections as needed. KCDC or an independent inspection group will follow the procedures laid out in PHI Notice 2020-31 to conduct the RVI.
- I. KCDC will not print inspection copies; these will be stored in the Third-party vendor’s database.

19.2 Owner And Family Responsibility

- A. Owner Compliance Enforcement with HQS or NSPIRE if applicable.
 1. The owner must maintain the unit according to HQS or NSPIRE if applicable. Detailed information regarding HQS is included in the participant’s briefing packet and the owner’s packet.
 2. If the owner fails to maintain the dwelling unit according to HQS or NSPIRE if applicable, KCDC will take prompt and necessary action to enforce the owner’s obligations. KCDC’s remedies for such breach of the HQS or NSPIRE if applicable include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.
 3. KCDC will not make any housing assistance payments for a dwelling unit that fails to meet the HQS or NSPIRE if applicable, unless the owner corrects the defect within the period specified by KCDC and KCDC verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours or the HAP payment will cease. For other defects, the owner must correct the defect within no more than 30 calendar days (or any KCDC-approved extension). Owners and tenants must call to ask for extensions or extensions will not be granted.
 4. If an owner fails to correct HQS or NSPIRE if applicable deficiencies by the time specified, KCDC will abate housing assistance payments no later than the first of the month following the repair deadline date. KCDC will notify the family and the owner when abating the payments and will inform them of the abatement and the timeframe of non-compliance. If the owner makes the repairs and the unit complies with the HQS or NSPIRE if applicable within the required timeframe, KCDC will resume payment to the owner. KCDC will not make payments to the owner for the period of time the payments were abated. No retroactive payments will be made to the owner for the period of time the rent was abated for failed inspections that did not meet HQS or NSPIRE if applicable.
 5. If KCDC or an independent inspection agency is unable to gain access to the unit to clear the deficiencies, the owner’s Housing Assistance Payment will be abated.
 6. KCDC will not make Housing Assistance Payments on a new construction unit without a certificate of occupancy or a certificate of completion for a rehabilitated unit.
 7. KCDC may terminate assistance to a family because of any HQS or NSPIRE if applicable breach caused by the family.
 8. During any abatement period, the family continues to be responsible for their share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction. KCDC or an independent inspection agency, will inspect abated units upon notification the work has been completed.
 9. Pest Control Policy: The dwelling unit and its equipment must be free of vermin and rodent infestation. The unit is inspected before a tenant moves in and at least biennially. The independent inspector will determine owner and tenant responsibility for any cited deficiency.

10. Bed Bug Policy: If owner has prior bed bug clearance initially, the tenant will be responsible for the bed bug clearance.
11. Pool Policy: KCDC will provide an addendum for both tenant and owner stating that no specific HQS or NSPIRE if applicable requirements are included for the pool other than failure to maintain the pool according to county/city/health department codes will result in an HQS or NSPIRE if applicable fail and no expressed liability will be construed from the HQS or NSPIRE if applicable inspection of the pool by KCDC or any subcontracted inspection company and the owner /resident will not hold KCDC liable in any way.
12. When a structure type Mobile Home is installed on a solid foundation, the structure type will be changed to a house.
13. Owners with units built before 1978 that are occupied or will be occupied with a child or children under six years of age, (excluding zero bedroom dwellings) must comply with HUD Lead Based Paint regulations at 24 CFR Part 35 and 982.401.

B. Tenant Compliance enforcement with HQS or NSPIRE if applicable:

1. The family is responsible for a breach of the HQS or NSPIRE if applicable that is caused by any of the following:
 - a. The family fails to pay for any utilities that the owner is not required to pay, but which are to be paid by the tenant;
 - b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
 - c. Any member of the household, or a guest, damages the dwelling unit or premises (damage beyond ordinary wear and tear).
2. If an HQS or NSPIRE if applicable breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. KCDC may give a short extension (not more than 48 hours) whenever the responsible party cannot be notified or it is impossible to eliminate the problem or execute the repair within a 24 hour period. In those cases where there is leaking gas or a potential fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by KCDC. If the emergency repair item(s) are not corrected in the time period required, KCDC will take prompt and vigorous action to terminate assistance.

For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any KCDC-approved extension).
3. If KCDC or an independent inspection agency is unable to determine a unit's deficiencies have been completed, KCDC will abate the owner's payment until the deficiencies are cleared and take prompt action to enforce family obligations following the program requirements.

19.3 Exceptions To The HQS or NSPIRE if applicable Acceptability Criteria

KCDC has the following HQS requirements in addition to the minimum standards set by HUD:

- A. At least one window screen per room is required unless the unit has central air conditioning, or the room has an air conditioner;
- B. Fire extinguishers are required in unsprinklered multi-family dwellings;
- C. Written verification from a qualified electrical or mechanical personnel if problems are found or suspected;
- D. Doors are required for bedroom entrances;
- E. All bathroom doors must have locks;
- F. Ample closet space must be available in all units;
- G. Appliances must be reasonably clean;
- H. Painting required if walls are heavily marred or soiled;
- I. One dumpster per building for each building containing over four apartments and if refuse disposal facilities are determined inadequate;
- J. The heating system must be capable of maintaining a minimum of 70 degrees during cold weather;
- K. Storm door, if present, must be in good condition (closer, handles, glass, screen);

- L. Storm windows cannot be used as primary windows;
- M. No bars on at least one window per room if bars are present and there is no other egress;
- N. Minimum bedroom size of 70 square feet (7 X 10);

19.4 Time Frames And Corrections Of HQS or NSPIRE if applicable Fail Items

A. Correcting Initial HQS or NSPIRE if applicable Fail Items:

KCDC, or an independent inspection agency, will conduct an initial inspection of the unit within a reasonable period after the family submits a Request for Tenancy Approval and the owner and family indicate the unit is ready for inspection. The owner and participant will be notified of the results of the inspection. If the unit fails HQS or NSPIRE if applicable the owner and the participant will be advised to notify KCDC or an independent inspection agency, to schedule a re-inspection when the repairs have been properly completed. Once the unit passes the inspection, KCDC or an independent inspection agency will notify the owner and participant of the results.

B. HQS or NSPIRE if applicable Fail Items for Units under Contract:

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s). If the unit fails HQS or NSPIRE if applicable, the owner and the participant will be advised to notify KCDC or an independent inspection agency to reschedule a re-inspection when the repairs have been properly completed.

For re-inspections that are not for an initial inspection, a life threatening inspection or an inspection that has more than ten deficiencies, KCDC may accept an owner certification of completed repairs signed by the owner and the tenant. If Independent Inspection Company or KCDC receive the completed self-certification form by the deadline date, the unit will pass inspection as of the date the completed form is received and the scheduled physical re-inspection will be cancelled.

If the owner fails to correct the items that failed HQS or NSPIRE if applicable after proper notification has been given, KCDC will abate payment and terminate the contract. If KCDC abates the payment and terminates the contract, the owner cannot rent the unit to the same tenant or a new tenant until the HQS or NSPIRE if applicable violation has been corrected.

If the participant fails to correct HQS or NSPIRE if applicable failed items that are family caused after proper notification has been given, KCDC will terminate assistance for the family.

C. Time frames for Corrections:

1. Emergency repair items must be abated within 24 hours.
2. Refrigerator, range and oven, or a major plumbing fixture supplied by the owner that is not serviceable must be done within 72 hours.
3. Extermination of rodent infestation must be done within 72 hours.
4. Non-emergency items must be completed within (30) days of the initial inspection.

D. Extensions:

At the sole discretion of KCDC, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. Owner must call to ask for extension. If repairs are not completed within 60 days after the initial inspection date, KCDC will abate the rent and cancel the HAP contract for owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside work for porches, steps, and sidewalks. Extensions may be granted for up to 120 days. Owners and tenants must call to ask for extensions or extensions will not be granted.

E. KCDC reserves the right to charge owners reasonable re-inspection fees if an owner notifies KCDC a repair has been made or the allotted time for repairs has elapsed and a re-inspection reveals that any deficiency cited in the previous inspection that the owner is responsible for was not corrected. The owner may not pass this fee on to the family.

19.5 Life Threatening Deficiencies/Emergency Fail Items

Life-threatening or emergency fail items are conditions which must be cured within 24 hours after written notice of the defects

has been provided. Failure to do so may result in termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.

Life-threatening conditions/emergency fail items are defined as:

- A. Gas (natural or liquid petroleum) leak or fumes. A life-threatening condition under this standard is one of the following:
 - 1. A fuel storage vessel, fluid line, valve, or connection that supplies fuel to a HVAC unit is leaking; or
 - 2. A strong gas odor detected with potential for explosion or fire, or that results in health risk if inhaled.
- B. Electrical hazards that could result in shock or fire. A life-threatening condition under this standard is one of the following:
 - 1. A light fixture is readily accessible, is not securely mounted to the ceiling or wall, and electrical connections or wires are exposed;
 - 2. A light fixture is hanging by its wires;
 - 3. A light fixture has a missing or broken bulb, and the open socket is readily accessible to the tenant during the day to day use of the unit;
 - 4. A receptacle (outlet) or switch is missing or broken and electrical connections or wires are exposed;
 - 5. A receptacle (outlet) or switch has a missing or damaged cover plate and electrical connections or wires are exposed;
 - 6. An open circuit breaker position is not appropriately blanked off in a panel board, main panel board, or other electrical box that contains circuit breakers or fuses;
 - 7. A cover is missing from any electrical device box, panel box, switch gear box, control panel, etc., and there are exposed electrical connections;
 - 8. Any nicks, abrasions, or fraying of the insulation that expose conducting wire;
 - 9. Exposed bare wires or electrical connections;
 - 10. Any condition that results in openings in electrical panels or electrical control device enclosures;
 - 11. Water leaking or ponding near any electrical device; or
 - 12. Any condition that poses a serious risk of electrocution or fire and poses an immediate life-threatening condition.
 - 13. Electrical outlet smoking or sparking
- C. Inoperable or missing smoke detector. A life-threatening condition under this standard is one of the following:
 - 1. The smoke detector is missing; or
 - 2. The smoke detector does not function as it should.
 - 3. Where there is not at least one working smoke alarm on each floor.
 - 4. The smoke detector is not hardwired or a 10-year non-rechargeable, sealed, tamper-resistant battery-powered smoke alarm device.
- D. Interior air quality. A life-threatening condition under this standard is one of the following:
 - 1. The carbon monoxide detector is missing; or
 - 2. The carbon monoxide detector does not function as it should.
- E. Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting. A life-threatening condition under this standard is one of the following:
 - 1. The chimney or venting system on a fuel fired water heater is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting of gases;
 - 2. A gas dryer vent is missing, damaged, or is visually determined to be inoperable, or the dryer exhaust is not vented to the outside;

3. A fuel fired space heater is not properly vented or lacks available combustion air;
 4. A non-vented space heater is present;
 5. Safety devices on a fuel fired space heater are missing or damaged; or
 6. The chimney or venting system on a fuel fired heating, ventilation, or cooling system is misaligned, negatively pitched, or damaged which may cause improper or dangerous venting of gases.
- F. Lack of alternative means of exit in case of fire or blocked egress. A life-threatening condition under this standard is one of the following:
1. Any of the components that affect the function of the fire escape are missing or damaged;
 2. Stored items or other barriers restrict or prevent the use of the fire escape in the event of an emergency; or
 3. The building's emergency exit is blocked or impeded, thus limiting the ability of occupants to exit in a fire or other emergency.
- G. Other interior hazards. A life-threatening condition under this standard is a fire extinguisher (where required) that is missing, damaged, discharged, overcharged, or expired.
- H. Deteriorated paint, as defined by 24 CFR 35.110, in a unit built before 1978 that is to be occupied by a family with a child under 6 years of age. This is a life-threatening condition only for the purpose of a condition that would prevent a family from moving into the unit. All other lead hazards reduction requirements, including the timeline for lead hazard reduction procedures, still apply including units where a child under the age of six has a confirmed Elevated Blood Lead Level (EBLL) that has been identified.
- I. No hot or cold Water
- J. Owner provided Utilities
- K. Inability to maintain adequate heat at 70 degrees
- L. Major plumbing leak
- M. Broken Lock(s) on first floor doors or windows
- N. Broken windows that allow weather elements into the unit
- O. Unusable commode when only one commode is present in a unit
- P. Security risks such as broken doors or windows that allow intrusion
- Q. Other conditions that pose an immediate threat to health and safety

19.6 Abatement

When a unit fails to meet HQS or NSPIRE if applicable and the owner has been given an opportunity to correct the deficiencies, but has failed to do so within the required time frame, the rent for the dwelling unit will be abated.

For tenant-caused HQS or NSPIRE if applicable deficiencies, the owner will not be held accountable for tenant related repairs. The tenant is held to the same standard and time frames for correction of deficiencies as owners. If repairs are not completed by the deadline, KCDC will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

20. Reexamination

20.1 Changes In Lease Or Rent

If the participant and owner agree to any changes in the lease after the initial lease term (1 year), the owner must make the request 60 days prior to the end of the lease period which is usually the reexamination date. The lease, including any changes, must be according to this Administrative Plan. Owners must notify KCDC and the tenant of any changes in the amount of the rent at least sixty (60) days before the changes go into effect (reexamination date). If the owner is eligible for a rent increase,

only one increase per year will be permitted. If the rent increase is requested after reexamination, the owner may be required to wait until the next reexamination date to increase the rent. Any such changes are subject to KCDC determining them to be reasonable. KCDC reserves the right to only allow a 20% increase in a one year period without substantial upgrades to the property since the last inspection. If an owner has failed to request a rent increase in three (3) or more consecutive years from the initial lease signing date, a rent increase of up to 30% of the current contract rent may be considered. Assistance shall not be continued unless KCDC has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner if any of the following changes are made:

- A. Requirements governing participant or owner responsibilities for utilities or appliances;
- B. In the lease terms governing the term of the lease;
- C. If the participant moves to a new unit, even if the unit is in the same building or complex.
- D. If a new owner purchases the property where the tenant lives

KCDC reserves the right to mail the Tenancy addendum (form 52641-A) and the Housing Assistance Payments Contract (form 52641) to owners for signature as needed.

20.2 Annual Reexamination

At least annually, KCDC will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

KCDC will send a notification letter to the family stating that it is time for their annual reexamination, which will include a scheduled date of when this is to be completed by. KCDC reserves the right to require online reexaminations. The reexamination notification letter will be sent to the tenant via United States Postal Service and required to be completed online, with all the required documents, within 14 days. The family may request reasonable accommodation if needed.

The family will provide all information regarding income, assets, expenses and other information necessary to determine the family's share of rent. If the household claims they have zero income, all adult members will be required to fill out the zero income questionnaire excluding the spouse of the head of household if they are also reporting no income. If one adult members of the family has income and the other adult does not, the other adult member will be required to fill out the income questionnaire.

KCDC reserves the right to conduct annual reviews of low income families' income for eligibility requirements every three years. After the initial review of any family with a fixed income as defined by the HUD Secretary, KCDC may conduct subsequent reexaminations every three years as opposed to every year. Family will certify that income consists of fixed income at a level defined by the HUD Secretary.

The family will sign a HUD consent form and other consent forms that later will be mailed to the sources that will verify family circumstances. Upon receipt of verification, KCDC will determine the family's annual income and will calculate their family share.

NOTE: KCDC will revise what is included in Annual Income set forth in 5.609 and 5.611 for Adjusted income once Section 102 of HOTMA and Section 104 of HOTMA become effective. Also 982.516 family assets will be implemented once HOTMA is finalized.

20.2.1 Effective Date of Rent Changes for Annual Reexamination

The revised family share will generally be effective upon the anniversary date with 30-day notice of any rent increase to the family. If the rent determination is delayed due to a reason beyond the control of the family, any rent increase will be effective the first of the month after the month in which the family receives a 30 day notice of the amount. If the family caused the delay, then an increase will be effective on the anniversary date. If the revised rent is a reduction, the reduction will be effective as scheduled on the anniversary date.

20.2.2 Missed Appointments

If the family misses the scheduled reexamination appointment and fails to reschedule the appointment, KCDC will consider the family to have violated a Family Obligation and their assistance may be terminated. If a second appointment is scheduled and the family misses the second appointment, the tenant must request an informal hearing. The hearing officer may allow the tenant to sign a statement of understanding that states if they miss another appointment, the assistance will automatically terminate.

If the assistance is terminated due to tenant not showing for appointment and the family contacts KCDC to dispute the termination, one more chance may be given, if the family can provide proof of an acceptable reason she/he missed the appointment.

20.3 Interim Reexaminations

Interim reexaminations of the tenant's portion of rent will be made at the request of the tenant due to changes in family income or other relative circumstances. Families may request an interim based on a decrease in income for any reason. The decrease must be in effect 30 days or more before the change can be made. Once a family requests a rent change that results in a reduction in the tenant portion of rent, the family may be reclassified as a Special Reporter as defined in Section 14.4 and all subsequent changes occurring prior to the next annual reexamination must be reported to KCDC within ten (10) days of occurrence. KCDC will adjust the housing assistance payments according to these verified changes. At each interim, when there is a reduction in income, KCDC will access the EIV system to run the New Hires Report.

Tenants are required to report all changes in family composition at the time of occurrence, even if the tenant portion of rent is not affected. When warranted, adjustments will be according to regulations. If the unit size is affected by the change in family composition, a voucher for the appropriate size unit will be issued at the time of the annual reexamination.

During an interim reexamination, only the information affected by the changes reported will be reviewed and verified. KCDC will not re-verify the income of other family members.

Any increase in family income due to employment must be from employment lasting more than thirty (30) days.

Families will not be required to report any increase in income or decreases in allowable expenses between annual reexaminations unless they are on special reporting as defined in Section 14.4.

Families are required to report the following changes to KCDC between regular reexaminations. These changes will trigger an interim reexamination.

- A. A member has been added to the family through birth, adoption or court-awarded custody;
- B. A household member is leaving or has left the family unit;

If the family member is an adult, the tenant must have proof where the moving adult will reside. Proof may include a picture ID that matches the new address, a change of address form, a lease or bills showing the new address. If a child is being removed, KCDC requires proof where the child will reside such as school documentation or custody papers, food stamp (if applicable) verification the child has been removed from the food stamp case, or as a last resort, a notarized statement who will have custody of the child.

- C. Family breakup;

In circumstances of a family break-up, KCDC will make a determination of which family member will retain the voucher, taking into consideration the following factors:

1. To whom the voucher was issued;
2. The interest of the minor children or of ill, elderly, or disabled family members;
3. In regards to custody of the child when there is a family split, the person who receives residential custody will be the person considered to have custody of the child when determining voucher size. Under extenuating circumstances notarized statement will be permitted.
4. Whether the assistance should remain with the family members remaining in the unit; or
5. Whether the family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement of judicial decree, KCDC will be bound by the court's determination of which family members continue to receive assistance in the program.

Because of the number of possible different circumstances in which a determination will have to be made, KCDC will make determinations on a case-by-case basis.

KCDC will issue a determination within ten (10) business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 19.

If an adult is added to the lease, they will be required to sign a lease addendum with the owner of the property to be added to the lease. To add a household member other than through birth or adoption, the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their original Social Security card within ten (10) days and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family member will go through the screening process similar to the process for applicants. KCDC will determine the eligibility of the new member before allowing the person(s) to be added to the lease. The person will not be added until the eligibility is determined and the original Social Security card is obtained. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, KCDC will grant approval to add their name to the lease. The tenant must provide documentation from the owner that the person to be added can be added to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be according to paragraph below 17.4.1.

D. Earned Income Disallowance families:

Tenants whose disabled family member's income is being disallowed under the Earned Income Disallowance provision must attend an interim reexamination at the end of the 12 cumulative month's 100% disallowance and again at the end of the next 12 month cumulative month's 50% disallowance.

Effective January 1, 2024, HOTMA properly and correctly removed the statutory authority for Earned Income Disallowance (EID), so HUD cannot retain the disallowance once the statutory change is in effect, which will be upon the effective date of this final rule. However, HUD agrees that if a family is receiving a disallowance of increase in annual income in accordance with §§5.617(c) and 960.255(b) on this final rule's effective date, participants should be able to benefit from EID for the full 24 months. Therefore, this final rule retains the regulations for EID for this time period. However, the EID will be available only to families that are eligible for and participating in the program on the effective date of the final rule; no new families may be added.

E. Death of a Participant:

In regards to the death of a participant – HAP will cease at the end of the month that the Head of House deceased. If there are minor children in the house, the voucher may be obtained by an eligible guardian of the minors or if there is another adult on the lease, the voucher may be obtained by the adult, except in the case of a live-in aide. The live-in aide cannot obtain the voucher to remain in the unit.

For Deceased Head of Household transfers, the process will be as follows:

1. In order to transfer the voucher to another adult household member, the transfer must be completed within 30 days from the date of the deceased head of household's death or the voucher automatically terminates.
2. In order to transfer the voucher to a person who gains guardianship of any minor children in the household, the transfer must be completed within 90 days from the date of the deceased head of household's death or the voucher automatically terminates.

F. Online Reexaminations and Interim Reexaminations – KCDC reserves the right to require online Annual Reexaminations and online Interim Reexaminations

20.4 Special Reexaminations

KCDC will make a determination if a tenant should be classified as a special reporter. Unstable income is defined as income that is expected to change or end in the next 12 months. If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, KCDC will require their status to be a special reporter. When one member of the family has stable income but the other adult member of the family does not, the family will be a special reporter until both adult members of the household have stable income. If a family has income over \$14,500 or if a family head of house has income from SS, SSI or Pension regardless whether the family has a spouse or other co-head without income, they will be an annual and not a special reporter. Any new or additional income must be reported within ten days to KCDC. If a tenant fails to report their change of income during their special reporter status, they will be charged with a retroactive back-charge and may risk losing their assistance. If the household claims they have zero income, all adult members will be required to fill out the zero income questionnaire excluding the spouse of the head of household if they are also reporting no income. If one adult members of the family has income and the other adult does not, the other adult member will be required to fill out the income questionnaire.

20.4.1 Effective Date of Rent Changes Due to Interim or Special Reexaminations

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Families may request an interim based on a decrease in income for any reason. The decrease must be in effect for 30 days or more before the change can be made. Upon such request, KCDC will take timely action to process the interim reexamination and recalculate the family share. In the case of a newly sign lease, no income change can be made for 30 days from the lease sign date.

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which the family receives notice of the new rent amount. If the family causes a delay, the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed. This may cause a back payment to the owner for the tenant's reduction in tenant share of rent.

If the new rent is a reduction and the family caused the delay or did not report the change timely, the change will be effective the first of the month after the rent amount is determined. KCDC will run a New Hires report from EIV system when there is a request for a reduction in rent.

20.5 Retroactive Charges

Retroactive charges will be assessed in all cases where the proper rent or monthly payment has not been charged for whatever reason, except KCDC error. Retroactive charges shall be assessed for the total amount that should have been paid had the proper information been received by KCDC and/or the proper rent or monthly payment charges made. The tenant will be terminated from the program in cases of misrepresentation. If the amount of the retroactive charge is more than \$2400, a repayment agreement will not be executed and the tenant will be terminated. If the amount of the retroactive charge is more than \$2400, the tenant will be terminated.

In cases of termination, a tenant will have a right to an informal hearing. At this time, they can agree to pay the full amount owed if there is not a current active repay agreement or pay the amount down to \$2,400. Anyone with charges of \$2,400 or less may be allowed to enter into an agreement to pay, if there is not a current repay agreement, and depending upon the amount owed, may have up to 24 months to pay. If a tenant signs a repay agreement and defaults, the assistance will be terminated. The tenant may request a hearing. The hearing officer may allow them to enter into a statement of understanding stating if they ever miss another payment, their assistance will terminate automatically with no opportunity for a hearing. Failure to enter into the agreement will result in termination of assistance. Failure to show for the appointment to sign the promissory agreement will result in termination of assistance.

The household may not enter into more than one (1) repay agreements during program participation. If a tenant is terminated for failing to sign or pay on a promissory and wants to reapply, the amount must be paid in full and the family must prove they have lived in the community for three (3) years in good standing before an application can be submitted for any KCDC Section 8 program. If the applicant files a bankruptcy to dismiss the amount owed to KCDC, the applicant must provide proof they have lived in the community in good standing for three (3) years.

If a family's income wasn't reported and the unreported income would have caused KCDC to stop housing assistance payments and the family to pay all their own rent for six months, KCDC will calculate the rent, calculate a back charge and terminate assistance after a 30 day notice since the HAP should have stopped six months after the last housing assistance payment to owner.

Participants requesting to exercise portability (outside KCDC's jurisdiction) must pay any monies owed in full prior to being issued a portability voucher

21. Termination Of Assistance To The Family By KCDC

KCDC may at any time terminate program assistance for a participant because of any of the following actions or inactions by the household:

- A. If the family or any family member violates any family obligations under the program;
- B. If the family or a family member fails to sign and submit consent forms;
- C. If the family or a family member fails to establish citizenship or eligible immigration status and is not eligible for or does not elect continuation of assistance, proration of assistance, or temporary deferral of assistance. If KCDC determines that a

family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizen listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination;

- D. If any family member has ever been evicted from public housing;
- E. If KCDC has ever terminated assistance under the Voucher Program for any family member;
- F. If any family member or guest of the resident as well as any person under the resident's control commits or engages in drug-related or violent criminal activity on or near the premises; has weapons or illegal drugs seized by a law enforcement officer; or manufactures methamphetamine on the premises; For three day evictions a police report is required from the owner.
- G. If any family member commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program. If a family is terminated for fraud, they cannot reapply for assistance until they pay (if applicable) what they owe and they have lived in the community for a period of three years without fraud or any corrupt or criminal activity.
- H. If any family member currently owes rent or other amounts to KCDC or to another housing agency in connection with Section 8 or public housing assistance under the 1937 Act;
- I. If the family or any family member has not reimbursed any housing agency for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- J. If the family breaches an agreement with KCDC to pay amounts owed to a housing agency or amounts paid to an owner by a housing agency.
- K. If any family member has engaged in or threatened abusive or violent behavior toward housing agency personnel;
- L. If any household member is registered under a sex offender registration program;
- M. If a household member's illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by KCDC to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;
- N. A family may be terminated if the family commits any serious or repeated violation of the lease. A family who causes \$500 in damages to a unit or commits any serious or repeated violations of the lease may be terminated from the Section 8 Housing Choice Voucher Program and will be ineligible for KCDC assisted housing for three years from the date of termination. After three years, the family must demonstrate they have lived in the community without damaging property or without eviction for any serious or repeated violations of a lease to establish eligibility for KCDC assisted housing. The proof of the \$500 in damages will be derived from court documentation provided by the property owners. The damage documentation must be provided to KCDC within 30 days of move-out. During court negotiations, the family's assistance may not be terminated.

If the final outcome determines the family owes more than \$500 in damages, the family assistance may be terminated. If the family receives an agreement through court proceedings to repay the owner for damages, the family assistance may not be terminated. If the family defaults on the repay agreement through the courts and the owner provides documentation within 30 days, the assistance may be terminated at that time. If no court negotiations are necessary to determine damages and the family and owner negotiate a repay agreement, the family assistance may not be terminated; however, if the family defaults on the repay agreement and the owner can provide documentation of the default, the family assistance may terminate at that time.

A family who is evicted through court procedures for non-payment of rent or other serious or repeated violations of the lease may be terminated from the program. However, if the family who is evicted through court procedures receives an agreement through court procedures to repay the owner for rent or the court procedure is dismissed, the family assistance may not be terminated through KCDC. If the family defaults on the repay agreement through the courts and the owner provides documentation of the default within 30 days, the assistance may be terminated at that time. The family may be ineligible for KCDC assisted housing for three years from the date of termination. After three years, to establish eligibility for KCDC assisted housing, the family must demonstrate they have lived in the community without eviction for non-payment of rent or other serious or repeated violations of the lease.

Per HUD regulations, all housing terminations and debts owed will be added in the Debts Owed and Termination section of Enterprise Income Verification (EIV) system.

- O. If the family misses the scheduled inspection and fails to reschedule the inspection, KCDC will consider the family to have violated a family obligation and their assistance may be terminated. If the family calls to request an informal hearing to dispute the termination, one more chance may be given and the family may be obligated to sign a statement of

understanding stating if they ever miss another appointment for inspection, they may lose their assistance. KCDC reserves the right to charge a missed appointment fee.

- P. If the family misses their scheduled recertification appointment and fails to reschedule the appointment, KCDC will consider the family to have violated a family obligation and their assistance may be terminated. If a second appointment is scheduled and the family misses the second appointment, the tenant must request an informal hearing. The hearing officer may allow the tenant to sign a statement of understanding that states if they miss another appointment, the assistance will terminate. Once a statement of understanding is signed, it will remain in effect for 24 months.

If the assistance is terminated due to the tenant not showing for their appointment and the family contacts KCDC to dispute the termination, one more chance may be given, if the family can provide proof of an acceptable reason she/he missed the appointment.

- Q. Misrepresentation: if, at any time, KCDC learns that a tenant made any misrepresentation to be eligible for assistance, the tenant's assistance may be terminated. A tenant's misrepresentation that results in a lower portion of tenant rent than should have been paid will result in the tenant being required to pay the difference between that amount and the amount that should have been paid. In justifiable cases, KCDC may take such action as it deems reasonable.

21.1 Victim of Domestic Violence, Economic Abuse, or Technological Abuse

In accordance with the Violence Against Women Act (VAWA), KCDC will not terminate a tenant's assistance who is a certified victim of an actual or threatened incident of domestic abuse as defined by the Act. Also, KCDC will not terminate a tenant's assistance who is a certified victim for criminal activity that is directly related to domestic abuse. KCDC may terminate a tenant's assistance who is a victim if there is an actual and immediate threat of harm to others or for other lease violations not based on domestic, economic, or technological abuse. KCDC may terminate assistance if, after the tenant removes the abuser from the lease, the tenant allows the abuser to move back in.

KCDC will give a tenant 14 business days after written request to certify victim status either by:

1. Completing and submitting to KCDC the HUD certification form 5382 (which is available at the Rental Assistance office); or
2. Providing KCDC with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional from whom the victim has sought assistance in addressing domestic, economic, and/or technological abuse or the effects of the abuse (this certification must be sworn under penalty of perjury); or
3. Producing a Federal, State, or local police or court record.

Definitions as used in this Policy:

- A. Domestic Violence - The term 'domestic violence' includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who;

1. is a current or former spouse or intimate partner of the victim, or person similarly situated to a spouse of the victim;
2. is cohabitating, or has cohabitated, with the victim as a spouse or intimate partner;
3. shares a child in common with the victim; or
4. commits acts against a youth or adult victim who is protected from those acts under the family or domestic violence laws of the jurisdiction.

- B. Economic Abuse:

The term 'economic abuse', in the context of domestic violence, dating violence, and abuse in later life, means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, or manipulation to—

1. restrict a person's access to money, assets, credit, or financial information;
2. unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage; or

3. exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or failing or neglecting to act in the best interests of a person to whom one has a fiduciary duty.

C. Technological Abuse:

The term 'technological abuse' means an act or pattern of behavior that occurs within domestic violence, sexual assault, dating violence or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor, except as otherwise permitted by law, another person, that occurs using any form of technology, including but not limited to: internet enabled devices, online spaces and platforms, computers, mobile devices, cameras and imaging programs, apps, location tracking devices, or communication technologies, or any other emerging technologies.

KCDC will provide the following documents at the time of leasing for new tenants, when a Notice to Vacate/Termination of Assistance has been issued and/or when an applicant has been denied housing assistance:

1. Notice of Occupancy Rights (HUD-5380),
2. Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking, and Alternate Documentation form (HUD-5382), and a
3. Comprehensive listing of assistance providers within the Knoxville area.

D. Dating violence means violence committed by a person:

1. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
2. Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - a. The length of the relationship;
 - b. The type of relationship; and
 - c. The frequency of interaction between the persons involved in the relationship

E. Domestic violence includes:

1. felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
2. The term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

F. Sexual assault means:

1. any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

E. Stalking means:

1. engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - a. Fear for the person's individual safety or the safety of others; or
 - b. Suffer substantial emotional distress.

KCDC maintains an Emergency Transfer Plan and an Emergency Transfer Request form for existing tenants. Additionally, KCDC actively refers victims of domestic violence to the Knoxville Family Justice Center which houses multiple agencies that provide coordinated services to victims of domestic, economic, or technological abuse.

Any current tenant who is a victim of domestic, economic, or technological abuse will be allowed the opportunity for an emergency relocation upon completing the Relocation Request Form HUD-5383. A domestic, economic, or technological abuse victim will have 60 days to use the voucher for relocation and may be permitted an extension of 60 additional days upon request.

C. Additional VAWA Protections:

1. Prohibition on Retaliation:

It is illegal for a public housing agency (PHA) or owner or manager of covered housing to discriminate against any person because that person has opposed any act or practice made unlawful by VAWA's housing provisions, or because that person testified, assisted, or participated in any related matter. It is illegal for a PHA or owner or manager of covered housing to coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA's housing provisions.

2. Right to Report Crime and Emergencies:

Landlords, homeowners, tenants, residents, occupants, and guests of, and applicants for, housing shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance. This also prohibits penalizing or threatening to penalize persons because they request assistance or report criminal activity of which they are a victim or otherwise not at fault under the laws or policies adopted or enforced by "covered governmental entities."

3. This provision further requires that covered governmental entities report on their laws or policies, or their subgrantees' laws or policies, that penalize protected persons based on requests for law enforcement or emergency assistance or based on criminal activity that occurred at a property.⁸ These entities must also certify compliance with these protections or explain how they will come into compliance or ensure compliance among subgrantees within 180 days of submitting the report to HUD.

KCDC maintains an Emergency Transfer Plan and an Emergency Transfer Request form for existing tenants. Additionally, KCDC actively refers victims of domestic violence to the Knoxville Family Justice Center which houses multiple agencies that provide coordinated services to victims of domestic, economic, or technological abuse.

Any current tenant who is a victim of domestic, economic, or technological abuse will be allowed the opportunity for an emergency relocation upon completing the Relocation Request Form HUD-5383. A domestic, economic, or technological abuse victim will have 60 days to use the voucher for relocation and may be permitted an extension of 60 additional days upon request.

22. Complaints, Informal Reviews For Applicants, Informal Hearings For Participants

22.1 Complaints

KCDC will investigate and respond to complaints by participant families, owners, and the public. KCDC may require that complaints be put in writing. Anonymous complaints are investigated to the extent possible.

If a family has an HQS or NSPIRE if applicable complaint, they must call the owner. For non-emergencies, the family should send the complaint in writing to the owner and KCDC.

22.2 Informal Review For Applicant

A. Informal Review for the Applicant:

KCDC will give an applicant for participation in the Section 8 Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for KCDC's decision. The notice will state that the applicant may request an informal review with a KCDC hearing officer within ten (10) business days of the denial and will explain who to contact and how to obtain the informal review.

B. When an Informal Review is Not Required:

KCDC will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under KCDC subsidy standards;
2. A determination not to approve an extension or suspension of a voucher term;
3. A determination not to grant approval to lease a unit under the program or to approve a proposed lease;
4. A determination that a unit selected by the applicant is not in compliance with HQS or NSPIRE if applicable;

5. A determination that the unit is not in compliance with HQS or NSPIRE if applicable because of family size or composition;
6. General policy issues or class grievances;
7. Discretionary administrative determinations by KCDC; or
8. If an applicant fails to show for their appointment for an informal review, they cannot reschedule after the missed appointment date. If they try to come in after the missed appointment date, they will not be seen and the denial of assistance will be upheld. Rescheduled appointments may be approved due to unforeseen circumstances only.

C. Informal Review Process:

KCDC will grant an applicant an opportunity for an informal review of KCDC decisions denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by any person or persons designated by KCDC other than the person who made or approved the decision under review or a subordinate of this person;
2. The applicant will be given an opportunity to present written or oral objections to KCDC's decision; and
3. KCDC will notify the applicant of KCDC's decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

D. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status:

The applicant family may request that KCDC provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. This request must be made by the applicant family within 30 days of receipt of the Notice of Denial or Termination of Assistance or within 30 days of receipt of the INS appeal decision.

For the applicant family, the Informal Hearing Process above will be utilized with the exception that the applicant family will have up to 30 days of receipt of the Notice of Denial or Termination of Assistance or of the INS appeal decision to request the review..

E. Informal Review Procedures for Denial of Assistance on the Basis of Drug Activity:

In determining whether to provide assistance, KCDC will consider verifiable evidence of whether the household member(s):

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

F. KCDC may make an adverse housing decision based on the conduct underlying an arrest if the conduct indicates the individual is not suitable for tenancy and KCDC has sufficient evidence other than the fact of arrest that the individual engaged in the conduct. The conduct, not the arrest, is what is relevant for admission and tenancy decisions.

G. In the cases described in paragraphs 16.2(C)(D)(E) and (F) of this Section, KCDC will notify the family that the family may ask for an explanation of the basis of KCDC's determination.

22.3 Informal Hearings For Participants

A. When a Hearing is Required:

1. KCDC will give a participant family an opportunity for an informal hearing to consider whether the following KCDC decisions relating to the individual circumstances of a participant family are according to the law, HUD regulations, and KCDC policies:
 - a. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment;
 - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from KCDC's utility allowance schedule;

- c. A determination of the family unit size under KCDC subsidy standards;
 - d. A determination that a Housing Choice Voucher Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under KCDC occupancy standards, or KCDC determination to deny the family's request for an exception from the standards;
 - e. A determination to terminate assistance for a participant family because of the family's action or failure to act;
 - f. A determination to terminate the rental assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under KCDC policy and HUD rules.
2. In cases described in paragraph 16/3(A) of this Section, KCDC will give the opportunity for an informal hearing before KCDC terminates housing assistance payments for the family..
 3. If a tenant fails to show for their appointment for an informal hearing, they cannot reschedule after the missed appointment date. If they try to come in after the missed appointment date, they will not be seen and the termination will be upheld. A tenant may be rescheduled due to unforeseen circumstances only.

NOTE: KCDC reserves the right to conduct Informal Hearings for Participants telephonically, via video-teleconferencing, web cast or through other virtual platforms absent a request by a party for an in-person hearing. KCDC will ensure that electronic information stored or transmitted is secure and meets the requirements for accessibility for persons with disabilities and persons with LEP. KCDC will follow guidance outlined in PIH notice 2020-32.

B. When a Hearing is Not Required:

KCDC will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by KCDC;
2. General policy issues or class grievances;
3. Establishment of KCDC's schedule of utility allowances for families in the program;
4. A determination not to approve an extension or suspension of a voucher term;
5. A determination not to approve a unit or lease;
6. A determination that an assisted unit is not in compliance with HQS or NSPIRE if applicable. (However, KCDC may provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS or NSPIRE if applicable caused by the family);
7. A determination that the unit is not in compliance with HQS or NSPIRE if applicable because of the family size;
8. A determination by KCDC to exercise or not exercise any right or remedy against the owner under a HAP contract;
9. An existing tenant has signed a statement of understanding for missed appointments or missed inspections.

C. Notice to the Family:

1. In the cases described in paragraph 16/3(A) of this Section, KCDC will give the family prompt written notice that the family may request a hearing within ten (10) business days of the notification. The notice will:
 - a. Contain a brief statement of the reasons for the decision; and
 - b. State if the family does not agree with the decision, the family may request an informal hearing on the decision within ten (10) business days of the notification. The letter will instruct the tenant how to ask for a hearing and who to contact

22.4 Informal Hearing/Review Procedures

KCDC, applicants and participants will adhere to the following procedures:

A. Discovery:

1. The family will be given the opportunity to examine before the review/hearing any KCDC documents that are directly relevant to the review/hearing. The family will be allowed to copy any such document at the family's expense. If KCDC does not make the document(s) available for examination on request of the family, KCDC may not rely on the document at the review/hearing.

2. KCDC will be given the opportunity to examine, at KCDC's offices before the review/hearing, any family documents that are directly relevant to the review/hearing. KCDC will be allowed to copy any such document at KCDC's expense. If the family does not make the document(s) available for examination on request of KCDC, the family may not rely on the document(s) at the review/hearing.

Note: The term document includes records and regulations.

3. If review/hearing had previously been decided through another review/hearing officer for the same violation, the tenant is not required to have another review/hearing.

B. Representation of the Family:

At its own expense, a lawyer or other representative may represent the family. Applicant/Tenant must provide a list of any representative or witness they will have at the review/hearing.

C. Review/Hearing Officer:

1. The review/hearing will be conducted by any person or persons designated by KCDC, other than a person who made or approved the decision under review or a subordinate of this person.
2. The person who conducts the review/ hearing will regulate the conduct of the review/hearing according to KCDC hearing procedures.

D. Evidence:

KCDC and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

When reviewing evidence, KCDC will take into consideration how many arrests in a certain period of time, if convicted, how long ago, the preponderance of evidence meaning evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows the fact sought to be proved is more probable than not and credible evidence which would be provided by the police or court system such as drug raids, drugs found in dwelling units, evidence which is tied to the activity, arrest warrant issued, etc.

E. Issuance of Decision:

The person who conducts the review/hearing must issue a written decision within 14 calendar days from the date of the review/hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the review/hearing.

F. Effect of the Decision:

KCDC is not bound by a review/hearing decision:

1. Concerning a matter for which KCDC is not required to provide an opportunity for an informal review/hearing under this Section or that otherwise exceeds the authority of the person conducting the review or hearing under KCDC review/hearing procedures;
2. Contrary to HUD regulations or requirements or otherwise contrary to federal, state, or local law; or
3. If KCDC determines that it is not bound by a review/hearing decision, KCDC will notify the family within 14 calendar days of the determination and of the reasons for the determination.

G. Considering Circumstances in informal hearing:

In deciding whether to terminate assistance because of action or inaction by members of the family, KCDC may consider all circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family member who were not involved in the action or failure. KCDC will also consider the effect on the community of the termination, or of KCDC's failure to terminate assistance, the effect of KCDC's decision on the integrity of the Section 8 program, the demand for housing by eligible families who will adhere to tenant responsibilities, the extent to which the tenant has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action and the length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.

KCDC may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. KCDC may permit the other members of a participant family to continue receiving assistance.

If KCDC seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that KCDC provides notice to the family of KCDC's decision to deny or terminate assistance. If violation was older than one year, assistance may not be terminated but will be addressed on a case by case basis. In determining whether to terminate assistance for these reasons KCDC will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

H. Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The participant family may request that KCDC provide for an informal hearing after the family has notification of the INS decision on appeal or in lieu of request of appeal to the INS. This request must be made by the participant family within 30 days of receipt of the Notice of Denial or Termination of Assistance or within 30 days of receipt of the INS appeal decision.

For the participant families, the Informal Hearing Process above will be utilized with the exception that the participant family will have up to 30 days of receipt of the Notice of Denial or Termination of Assistance or of the INS appeal decision to request the hearing.

23. Termination Of The Lease And Contract

The term of the lease and the term of the HAP contract are the same. They begin on the same date, and they end on the same date. The lease may be terminated by the owner, the tenant, or by the mutual agreement for extenuating circumstances. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by KCDC. Under some circumstances the contract automatically terminates.

KCDC may terminate the HAP contract if it is determined there is insufficient funding. KCDC may terminate a HAP contract with a 30-day notice to the landlord and tenant after the date it is determined there is insufficient funding to continue the HAP contract. KCDC will terminate the tenants who have been on the program the shortest period of time, first. Homeownership participants, HUD VASH and Project Based Voucher participants will be the last terminated. KCDC will add the families being terminated back to the top of the waiting list starting with the Homeownership participants, Project Based Voucher participants, VASH participants, and the families terminated who had been on the program the shortest period of time will follow them on the waiting list. Once funding resumes, the families will be offered a voucher based on the above status of the waiting list. KCDC will not terminate any vouchers until it has exhausted all other funding shortfall measures to avoid terminations.

A. Termination of the Lease

1. By the family:
 - a. The family may terminate the lease without cause upon proper notice to the owner and to KCDC after the initial lease term. The length of the notice that is required is stated in the lease (generally 30 days).
 - b. When KCDC receives a 30-day notice, if the notice was received on the first day of the month the notice will end the last day of that month. If the notice is signed after the first day of the month the notice will end the last day of the next month.
2. By the owner:
 - a. The owner may terminate the lease during its term on the following grounds:
 - i. Serious or repeated violations of the terms or conditions of the lease;
 - ii. Violation of federal, state, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and its premises;
 - iii. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate

vicinity of the premises; For a three day eviction/termination of the lease, the landlord must provide a police report to go with the three day eviction/termination of the lease.

- iv. Any drug-related or violent criminal activity on or near the premises;
- v. Other good cause. Other good cause may include, but is not limited to:
 - 1.) Failure by the family to accept the offer of a new lease;
 - 2.) Family history of disturbances of neighbors or destruction of property; living or housekeeping habits resulting in damage to the property or unit;
 - 3.) The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
 - 4.) A business or economic reason, such as sale of the property (after the initial lease term), or extensive renovation of the unit.
- b. During the initial first year of the lease, the owner may not terminate tenancy except for other good cause as stated previously, unless the tenant has violated the lease;
- c. The owner may only evict the tenant by instituting court action after or simultaneously providing written notice to the participant specifying the grounds for termination. The owner must give KCDC a copy of any vacate notice to the tenant at the same time the owner gives the notice to the tenant.
- d. The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.
- e. An owner /manager may bifurcate a lease in order to evict any individual who is a tenant or lawful occupant of the unit who engages in criminal activities directly related to domestic violence, dating violence, sexual assault or stalking against an affiliated individual or other individual. The VAWA law mandates that if such bifurcation occurs, and the removed tenant or lawful occupant was the sole tenant eligible to receive Section 8 assistance, KCDC, the owner, manager shall provide any remaining tenant the opportunity to establish eligibility for the Section 8 program. If the remaining tenant cannot establish eligibility, KCDC, the owner or manager is required to provide a tenant reasonable time (usually 30 days) to find new housing or to establish eligibility under other housing.

3. By Mutual Agreement:

The family and the owner may at any time mutually agree to terminate for extraordinary circumstances. The extraordinary circumstances must be approved by a supervisor.

B. Termination of the Contract:

1. Automatic termination of the contract:

- a. If KCDC terminates assistance to the family, the contract terminates automatically;
- b. If the family moves out of the unit, the contract terminates automatically;
- c. If 180 calendar days after the last housing assistance payment to the owner has passed; and
- d. HAP terminates the month the tenant becomes deceased.

2. Termination of the contract by owner:

The owner may only terminate tenancy according to the lease and state and local law.

3. Termination of the HAP contract by KCDC:

KCDC may terminate the HAP contract because:

- a. The unit does not meet HQS space standards because of an increase in family size or change in family composition;
- b. The unit is larger than appropriate for the family size or composition under the regular Housing Choice Voucher Program;
- c. When the family breaks up and KCDC determines that the family members who remain in the unit are not eligible to receive the assistance; or
- d. The owner has breached the contract in any of the following ways:
 - i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit according to HQS or NSPIRE if applicable. Multiple violations on the same program unit may result in termination of the HAP contract.

- ii. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act;
 - iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
 - iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
 - v. If the owner has engaged in drug-related criminal activity, drug trafficking, or any violent criminal activity. This includes conviction of manufacturing or producing methamphetamine (speed).
 - vi. If the owner is registered under a sex offender registration program.
 - vii. Failure of an owner to report a deceased tenant is a breach of the HAP contract; or
 - viii. If KCDC finds at an initial lease or recontract of a unit that the owner is more than one year in arrears on his/her state or local property taxes.
- e. KCDC may terminate the HAP contract if it is determined there is insufficient funding. Insufficient funding means KCDC would be unable to avoid terminations of housing choice voucher assistance for current participants during the calendar year due to insufficient budgetary allocations (including any available HAP reserves) for housing assistance payments.

KCDC may terminate the HAP contract if it is determined there is insufficient funding. KCDC may terminate a HAP contract with a 30-day notice to the landlord and tenant after the date it is determined there is insufficient funding to continue the HAP contract. KCDC will terminate the tenants who have been on the program the shortest period of time, first. Homeownership participants, HUD VASH and project based voucher participants will be the last terminated. KCDC will add the families being terminated back to the top of the waiting list starting with the Homeownership participants, the VASH participants and the project based voucher participants. The families terminated who had been on the program the shortest period of time will follow them on the waiting list. Once funding resumes, the families will be offered a voucher based on the above status of the waiting list. KCDC will not terminate any vouchers until it has exhausted all other funding shortfall measures to avoid terminations.

4. Final HAP payment to owner:

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and the family continues to occupy the unit, KCDC will continue to make payments until the owner obtains a judgment or the family moves out. The owner must file a detainer warrant within five (5) days of the move-out date stated in the eviction notice.

If a tenant gives an owner a 30 day notice and does not move out, the owner may file a detainer warrant to remove the tenant from the property. If the owner does the proper court procedure and KCDC is required to pay the owner, KCDC will charge the days the tenant remained in the unit back to the tenant. If tenant does not pay KCDC, the tenant will be terminated from the rental assistance program.

5. Abandonment:

If a landlord discovers a unit is abandoned, the landlord cannot enter the unit for 30 days, therefore, KCDC will pay the Housing Assistance Payment through the thirty (30) day abandonment period.

24. Choice-Mobility Rights

Under RAD PBRA residents have the right to move with tenant-based assistance after the later of 24 months from date of execution of the RAD PBRA HAP Contract or 24 months after the move-in date.

HUD allows PHAs to limit the number of Choice-Mobility moves under the PBRA program in two ways:

- 1. KCDC will not provide no more than one-third of its turnover vouchers to residents of RAD properties in any one year; and
- 2. KCDC will limit Choice-Mobility moves to no more than 15 percent of assisted units in each RAD property.

25. Operating Reserve Expenditures

Expenditures from the Operating Reserve Account for purposes other than Section 8 Housing Choice Voucher Program operation will require specific Board approval for individual expenditures exceeding \$84,000.

26. Operating Expenditures

KCDC's policy on access to public records is available online and include rules for inspection and duplication of records. The Schedule of Reasonable Charges (including production and labor charges) and the Frequent and Multiple Requests for Copies Policy promulgated by the Tennessee Comptroller of the Treasury, Office of Open Records Counsel, have been adopted by KCDC.

27. Non-sufficient Fund Charge

KCDC reserves the right to charge for any payment returned for non-sufficient funds. This will be considered non-payment for retro- rent or other charges, and a \$25 fee will be charged.

28. KCDC-Owned Housing

Units owned by KCDC and not receiving subsidy under any other program are eligible housing units for Housing Choice Voucher holders. To comply with federal regulation, KCDC will make available through the briefing process both orally and in writing the availability of KCDC-owned units (notification will also include other properties owned/managed by the private sector available to Housing Choice Voucher holders).

29. Employee Code Of Conduct

All employees of KCDC must abide by the KCDC employee Code of Conduct that is a supporting document to KCDC's Public Housing Agency Plan and is available in each KCDC location. The code of conduct is also available on the KCDC intranet and in each supervisor's office for each employee to view.

30. Document Authority

Requirements and procedures set forth in this document are applicable to the Section 8 Tenant-Based Voucher program and the Project Based Voucher program administered by KCDC as specified herein. All the terms and conditions of this document shall be governed by the United States Housing Act of 1937, as amended; the Department of Housing and Urban Development's (HUD) Section 8 Regulations (Code of Federal Regulation 24); the Tennessee Uniform Residential Landlord and Tenant Act, where applicable, as well as all applicable federal, state, and local laws. This document is automatically superseded by any applicable change in these laws and will be revised periodically to reflect such changes.

KCDC may use any and all streamlining and expedited processes as allowed by HUD.

31. KCDC Section 8 Rental Assistance Department Landlord Reimbursement Policy

Pursuant to HUD approval the following may be implemented:

Purpose

This policy establishes guidelines for reimbursing landlords for tenant-caused damages that exceed normal wear and tear when the tenant was participating in the Housing Choice Voucher (HCV) Program or other rental assistance programs administered by Knoxville's Community Development Corporation (KCDC) Rental Assistance Program.

In addition to damage reimbursement, this policy includes a vacancy loss payment provision to help offset income loss between tenants. Landlords may be eligible for a one-month vacancy payment, beginning on the date the tenant vacates the unit. If the unit is re-rented before the 30-day period ends, the vacancy payment will be prorated based on the actual number of days the unit remained vacant prior to the new lease start date.

To promote landlord participation, KCDC also offers incentive payments to encourage new landlord enrollment and support continued engagement by existing landlords. These incentives may include sign-on bonuses for new property owners and referral bonuses for current landlords who successfully refer new owners to the program.

A. Eligibility Requirements

To be eligible for reimbursement for damages or vacancy loss, landlords must meet the following criteria:

1. Lease Compliance: A valid lease agreement must have been in place between the landlord and the Section 8 program participant.
2. Program Participation: The tenant must have been under an active Housing Assistance Payment (HAP) contract at the time the damages occurred.

3. Move-Out Inspection: The landlord must submit a move-out inspection report and documentation of tenant-caused damages beyond normal wear and tear, up to and including a court judgment for damages.
4. Security Deposit: If a security deposit was collected, it must be fully applied toward damages or vacancy loss before a reimbursement request is submitted.

B. Required Documentation

1. For Vacancy Loss – Submit within 5 days of tenant move-out:
 - a. Completed Landlord Vacancy Loss Claim Request Form
2. For Damages – Submit within 30–60 days of tenant move-out:
 - a. Completed Landlord Damage Claim Request Form
 - b. Invoices, receipts, professional repair estimates, or documentation of a court judgment awarding damages
 - c. Proof of efforts made to collect from the tenant
 - d. Itemized list of damages

C. Incentive Eligibility

New Owner Incentive

To be eligible for the New Owner Sign-On Incentive, you must:

1. Complete the New Owner/Owner Referral Incentive Request Form
2. Not currently own any properties participating in the KCDC Section 8 program (any owner or unit that has been part of the program within the past five years is not eligible for incentive)
3. Not appear on HUD's list of debarred owners
4. Be the registered owner of the property
5. Select a tenant currently participating in the KCDC Section 8 program
6. Ensure the unit passes Housing Quality Standards (HQS)
7. Complete the new owner setup packet to accept payments via direct deposit
8. Enter into a signed Housing Assistance Payment (HAP) contract with KCDC

D. Owner Referral Incentive

To be eligible for the Owner Referral Incentive, you must:

1. Be listed on the referral form as the individual who referred the new owner
2. Ensure the referral results in a new owner entering into a HAP contract with KCDC
3. Not have exceeded the referral incentive limit of five (5) new owner referrals

E. Reimbursement Limits

1. Vacancy Loss – Up to 1 month of contract rent, minus the security deposit
2. New Owner Sign-On Incentive – One-time payment of up to \$500
3. Owner Referral Incentive – One-time payment of up to \$250 per referral, for a maximum of five referrals
4. Damages – Up to 2 months of contract rent, minus the security deposit, per unit (subject to funding availability)

F. Eligible Costs for damages

1. Tenant-caused property damage exceeding normal wear and tear

G. Ineligible Costs for damages

1. Routine maintenance and cleaning
2. Normal wear and tear
3. Pre-existing conditions

H. Processing and Payment

1. KCDC will review requests within 30 days of receipt.
2. KCDC reserves the right to inspect the unit or request additional documentation as needed.
3. Approved reimbursements and incentives will be paid directly to the landlord via direct deposit.
4. All decisions by KCDC are final and not subject to appeal.

I. Funding Availability

Reimbursements and incentive payments are contingent upon the availability of KCDC funds. KCDC may suspend, revise, or limit this program at any time based on funding levels or internal policy changes.

32. Project Based Voucher Property On-site waiting list plans

Project Based Voucher (PBV) applicant process

1. Applicant visit DGA property to be placed on the properties PBV waiting list
2. When there is an anticipated PBV unit available, property management will select the first person on their waiting list that would be eligible for that bedroom size. If the first person fails to respond, property management will select the next person on their waiting list.
3. Once selected and contact has been made, the applicant will be given appointment time and location by property management to complete their full application. The applicant will be informed of the required documentation to bring to their scheduled appointment.
4. Once the application is completed, property management will conduct preliminary screening and if eligible, property management will give the applicant a copy of the referral to show to the Rental Assistance Office staff (this may help the applicant and RAO to avoid confusion).
5. The applicant will bring the referral to the RAO office along with their required documents to complete the KCDC application to determine eligibility.
6. Once the PBV application is received it will be reviewed, processed and screened. Once screening is complete, the RAO office will notify property management by returning the completed Referral form.
7. Property management may proceed with a unit offer to the applicant. Property management will send Jennifer Bell (RAO) an acceptance letter for the prospective tenant once the unit is ready to be inspected.

Completed by K Trame 2/3/2025

IS THIS PROPERTY RIGHT FOR ME?

Updated 5/20/2025

The property for which you are applying is a Tax Credit property governed by the IRS Section 42 and The Tennessee Housing Development Agency (THDA); this property contains Low-Income Housing Tax Credit (LIHTC) units overseen by THDA and units with a Project-Based Voucher (PBV) administered by Knoxville's Community Development Corporation (KCDC). To achieve our goal of providing the housing environment you desire, all prospective applicants are required to meet established criteria to be considered for residency. This community uses great care and will always abide by Federal, State, and Local Fair Housing Laws when processing all potential resident's applications. All items listed on this Tenant Selection Plan supersede any similar items located on the rental application. There is a supplement to this plan that addresses all additional requirements for the PBV units; applicants for PBV units must meet all criteria contained herein as well as all criteria contained in the PBV supplement.

A VALID STATE OR FEDERALLY ISSUED PHOTO I.D. IS REQUIRED PRIOR TO SHOWING ANY RENTAL HOME

- The standard maximum occupancy of a unit is two occupants per bedroom. However, special circumstances are taken into consideration regarding the number of occupants.
- Each head, co-head or spouse must be of legal age to enter into a binding contract based on prevailing state law and must provide copy of Social Security card, Green card, Visa or valid Passport. Birth Certificates must be provided for all occupants 17 and younger.
- All applicants' combined income must not exceed the maximum income requirements as specified by the Internal Revenue Service Section 42 LIHTC Program and Elmington Property Management. The current income limits are listed on the attached Manager's Certification. These will also be posted in the onsite office on a bulletin board. A minimum income test of 2.5 times the rental amount is required to be met by all households not receiving rental assistance. The minimum income test may be waived for households applying through a Targeting Program or who will be receiving or are receiving rental assistance.
- The source(s) of a household's income are not considered when determining if a household qualifies. All sources of income must be able to be verified, and all sources of income are included when determining a household's eligibility.
- Applications for occupancy can be picked up at the onsite office during normal business hours. All communication with applicants will be by first class mail or by phone. Written applications will be accepted from anyone who wishes to apply. Every application must be completed and signed by the applicant. Onsite staff will be prepared to assist any applicants who might have trouble completing the application form. This assistance might take the form of answering questions about the application, helping applicants who might have literacy, vision, or language problems, in general, making it possible for interested parties to apply for assistance. All applications will be reviewed for a preliminary eligibility determination to ensure there are no obvious factors that would make an applicant ineligible.
- All applicants must meet full-time student status requirements along with any other qualifications as required by Section 42 LIHTC Program (if applicable) and Elmington Property Management. Students include individuals attending public or private elementary, middle, junior high, or senior high schools, colleges, universities, technical, trade or mechanical schools. Students do not include individuals participating in on-the-job training.
- A household where all members are full-time students is ineligible for residency unless the household meets one of the following exceptions:
 - All members are married and entitled to file a joint tax return.
 - The household is comprised of a single parent(s) with minor children where neither the parent nor at least one child is claimed as dependent on someone else's tax return other than the absent parent of the children.

- The household received Temporary Assistance to Needy Families (TANF).
 - The student participates in a program receiving assistance under the Job Training Partnership Act, Workforce Investment Act, or similar federal, state, or local program.
 - The student was previously in foster care.
- A credit report will be processed on each applicant. An unsatisfactory report can result in the denial of the application. An unsatisfactory credit report is one that reflects past or current bad debts, late payments or unpaid bills, liens, judgments, or bankruptcies. If your application is denied for poor credit history, you will be given the name, address, and phone number of the credit reporting agency that provided the report, as required by the Fair Credit Reporting Act. Applicants with little or no credit history may be required to pay a security deposit in an amount equal to one month's rent.
 - Landlord history may be verified verbally or in writing. The application can be denied for a negative landlord reference. Delinquent payments more than 25% of the time over the last twelve (12) month will be considered derogatory landlord history.
 - Criminal history will be checked on all adult (18+) members of the household. Any denial of admission based on criminal screening results will be provided to the applicants in form of a written notice. The applicant(s) will have 8 days to dispute accuracy of the criminal record report. Felony and misdemeanor convictions may result in denial of the application as follows:
 - Conviction of the sale or manufacture of a controlled substance and/or violent felony offense:
 - Within 5 years will result in denial
 - more than 5 years but less than 10 may result in denial
 - more than 10 years will not result in a denial.
 - Conviction of a nonviolent felony offense:
 - Within 7 years may result in denial.
 - More than 7 years will not result in denial
 - Conviction of a violent misdemeanor:
 - Within 2 years will result in denial.
 - More than 2 years may result in denial.
 - Conviction of a nonviolent misdemeanor offense:
 - Within 5 years may result in denial.
 - More than 5 years will not result in denial.
 - Management may conduct individual assessments of the criminal records and their impact on the household's suitability for admission. The assessment will include consideration of the following factors in determining whether to admit or deny the individual:
 - Seriousness of the criminal offense
 - Relationship between the criminal offense and the safety and security of residents, staff or property
 - Length of time since the offense, with weight being given to significant periods of good behavior.
 - Age of the household member at the time of the offense.
 - Number and nature of any other criminal convictions.
 - Evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program or recommendations from a parole or probation officer, employer, teacher, social worker or community leader.
 - Tenancy supports or other risk mitigation services the applicant will be receiving or have access to during tenancy.

- If the applicant's criminal conviction was related to his or her disability, the management company will consider a reasonable accommodation.
- Requests for reasonable accommodations from applicants/residents with disabilities, in order that they may benefit from the use and enjoyment of the dwelling units, are processed in a timely manner. The applicant/residents must be able to show that the requested accommodation is necessary, and that there is a strong, identifiable relationship between the requested accommodation and the individual's disability.
 - If a household requests an accessible feature, policy modification, or other reasonable accommodation, the property will provide the requested accommodation unless doing so would result in a fundamental alteration in the nature of the program, or an undue financial and administrative burden. A fundamental alteration is a modification that is so significant that it alters the essential nature of the operations of the property.
 - Management will provide the applicant a Request for Accommodation form that they may use to make their request. However, the form cannot be required. Management will respond within 10 business days of receipt. The available unit will be held for an applicant requesting reasonable accommodation until management decide whether to approve or deny the request. If the request is denied, the applicant will be notified in writing and given 8 business days to appeal the decision. During which time the available unit will not be rented to another qualified applicant.
- Anyone who wishes to be admitted or to be placed on the Waiting List must complete an application. The application must include a signature certifying the accuracy and completeness of information provided. If the applicant is placed on the Waiting List, the list will note the name of the applicant, the date and time of application, the type of income, the size of unit desired, and any other pertinent information.
- Before putting any applicant on a waiting list, the property will make a preliminary eligibility determination to ensure that there are no obvious factors that would make an applicant ineligible.
 - If a preliminary screening indicates that a family is eligible for tenancy, but units of appropriate size are not vacant, the HH will be placed on a Waiting List according to the date and time the application was received in the rental office if requested by the family. The family will be notified when a suitable unit becomes available.
 - Families may request and be placed on more than one waiting list, if they are eligible for the appropriate bedroom size. For instance, a family of 3 that includes a parent, and a son and daughter is eligible for both a 2-bedroom unit and a 3-bedroom unit (where applicable).
 - Applicants have the opportunity, at any time, to supplement the information they already provided with their application.
- There will be one waiting list subdivided by bedroom size. Preference for occupancy of units designed to accommodate persons with physical impairments (mobility, visual, and/or hearing) will be given to disabled individuals or families who require the accessibility features provided in the units. Once these two preferences have been satisfied, applicants are selected from the waiting list based on the date and time their applications were submitted.
- The property will select names from the waiting lists in chronological order to fill vacancies. Preferences will be given for voucher holders and applicants with a reasonable accommodation. In such a case, a notation will be made on the waiting list to indicate why this applicant was skipped for a voucher holder or reasonable accommodation. Applicants are selected for various rent and income levels based on income and the date and time of their application. When a lower rent level becomes available, it will be assigned to the current household who is paying the highest percentage of income towards rent. This determination will be based on the most recently completed certification.

- The Waiting List will be updated semi-annually. Applicants must contact the property every six (6) months to stay on the Waiting List. The property will update the waiting list by removing the names of those who are no longer interested in, or who are no longer qualified for, assisted housing. The applicant is responsible for updating the application with any changes that may occur to remain active on the current waiting list.
- The waitlist is never closed. All applications are processed, and approved applications are placed on the waiting list. As applicants get to the top of the waiting list and are contacted regarding their interest in a unit. If the applicant states they are no longer interested or do not respond within 8 days, they are removed from the waitlist and the unit will be offered to the next qualified applicant on the waiting list.
- Applicants will be notified in writing that they have been approved for occupancy. They have 8 days from the date of the letter to respond. Once an applicant has accepted an offer for a unit, they will have 48 hours to pay the security deposit and schedule their move-in date. The move-in date must be scheduled within a maximum 30-day period.
- If an applicant is determined to be not eligible, the applicant will be notified in writing immediately. The written notification will list the specific reasons for the denial, advise the applicant of their right to respond to the notice requesting a meeting with management within 10 business days of the notice, and advise the applicant of their right to request a reasonable accommodation if the applicant is disabled and feels they have grounds to be granted a reasonable accommodation.
- Management will not deny admission for an applicant solely based on the person's status as a victim of domestic violence defined under VAWA. An applicant who certifies they were the victim of domestic violence may be admitted with poor credit and landlord screenings if they can show the cause of the negative factors were caused by domestic violence. Any information submitted to management regarding domestic violence defined under VAWA will be kept confidential. More information is available upon request to the Community Director.
- Incomplete or falsified documentation will result in denial of the application. All documentation provided during processing your application must comply with all Federal and State LIHTC Program criteria (where applicable).
- A security deposit will not be required or requested until a household is approved for move-in. Once a household is approved and a unit is available for rent, the approved household will be notified via phone to provide a security deposit. The security deposit amount will be between 0.5 and 1.5 times the monthly rent amount depending on credit history.

- **THE RENTAL APPLICATION FEE IS NON-REFUNDABLE, REGARDLESS OF THE CIRCUMSTANCES. PLEASE REVIEW THESE POLICIES CAREFULLY BEFORE SUBMITTING AN APPLICATION. WE WILL CONSIDER ALL APPLICANTS REGARDLESS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, DISABILITY, FAMILIAL STATUS, MARITAL STATUS, SOURCE OF INCOME, AGE, ANCESTRY, MEDICAL CONDITION, SEXUAL ORIENTATION, OR ANY OTHER ARBITRARY BASIS. WE WILL COMPLY WITH THE FAIR HOUSING ACT, THE 1988 FAIR HOUSING AMENDMENTS ACT, TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, TITLE VIII AND SECTION 3 OF THE CIVIL RIGHTS ACT OF 1968(AS AMENDED BY THE COMMUNITY DEVELOPMENT ACT OF 1974), EXECUTIVE ORDER 11063, THE VIOLENCE AGAINST WOMEN ACT (VAWA), THE AGE DISCRIMINATION ACT OF 1975, AND ANY LEGISLATION PROTECTING THE INDIVIDUAL RIGHTS OF THE RESIDENTS, APPLICANTS, OR STAFF WHICH MAY SUBSEQUENTLY BE ENACTED. HOWEVER, IF THE RENTAL QUALIFICATIONS AS STATED IN THIS DOCUMENT ARE NOT MET, THE APPLICATION FEE WILL NOT BE REFUNDED.**

- WARNING: SECTION 1010 OF TITLE 18 OF THE U. S. CODE MAKES IT A CRIMINAL OFFENSE TO MAKE WILLFUL FALSE STATEMENTS OR MISREPRESENTATIONS TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION. THE SECTION 42 LIHTC PROGRAM IS REGULATED BY THE U.S.
- INTERNAL REVENUE SERVICE. If any minimum requirement contained within this document conflicts with any Local, State or Federal rule or law, the appropriate Local, State or Federal rule or law will prevail.
- Agreement & Understanding:

Applicant Signature

Date

Applicant Signature



THANK YOU FOR CHOOSING OUR COMMUNITY!



Supplement to the Tenant Selection Plan for Project-Based Vouchers (PBVs)

The property for which you are submitting a rental application contains project-based vouchers that are administered by the Knoxville's Community Development Corporation (KCDC). All households applying for these units must meet all criteria contained in the main tenant selection plan as well as all criteria contained in this supplemental tenant selection plan.

Waitlist

The property maintains a separate waitlist for PBV units subdivided by bedroom size. All in-house transfers are given preference over new admissions in the following order:

- 1) Transfer to an accessible unit for a household that has indicated need for accessible features.
- 2) Transfer due to VAWA reasons.
- 3) Overhoused households and households occupying an accessible unit with no need for accessible features.
- 4) Underhoused households.

If there are no in-house transfers needing a unit that comes available, a household will be selected from the waitlist. Households will be selected in order based on date and time of application with the oldest application being given priority except in the following circumstance:

- 1) If an accessible unit becomes available, households with need of accessible features will be offered the unit in order of date and time their applications are submitted.

If a household on the waitlist declines a unit for other than good cause once, their name will be placed at the bottom of the waitlist. If a household declines a unit for other than good cause twice, their name will be removed from the waitlist. "Good cause" includes the following: a unit does not meet a household's accessibility needs, a household cannot accept a unit due to circumstances beyond the household's control (ex: hospitalization, natural disaster, etc.), or the household determines that the unit would pose a health or safety risk to a household member who is or has been a victim of stalking, domestic violence, dating violence, or sexual assault.

Owner will provide public notice when the waitlist opens and is no longer full. The waitlist will be updated once every six (6) months. Each household on the waitlist will be contacted via phone call, text message, email, and mailed written correspondence. All households must respond within ten (10) calendar days of the date of the written correspondence to remain on the waitlist. By signing this tenant selection plan, you are indicating that you understand that all contact information changes must be communicated to the management office; inaccurate or out-of-date contact information may result in your household's removal from the waitlist.

Occupancy Guidelines

Standard occupancy is two (2) persons per bedroom. Households may not request a smaller unit than the occupancy guidelines permit provided they do not exceed the standard occupancy guideline. Please note that final unit size is determined by KCDC; the guidelines listed below do not guarantee a unit of a specific size.

- Adults (18+):
 - Married couples may be required to share a bedroom.
 - Unmarried adults will be permitted their own bedroom (if available); or will be permitted to share a bedroom.
- Minors (Under 18):
 - Infants under 12 months of age will not be allotted their own bedroom and are not included in the standard occupancy guideline of two persons per bedroom.
 - Opposite-gender children may be required to share a bedroom until the older child reaches 5 years of age, at which time the household may be placed on the waitlist to transfer to a larger unit (if available). Same-gender children may be required to share a bedroom until the older child reaches 18 years of age, at which time the household may be placed on the waitlist to transfer to a larger unit (if available).

Rent Calculation

Rents for project-based voucher units are income-based. Rent amounts are calculated based on the household's gross income as well as any deductions as permitted by HUD guidelines. Final income and unit size determination will be completed by KCDC; once a unit comes available, the household will be provided with a referral form for KCDC – this form permits KCDC to complete the final income and unit size determination before move-in.

Because rent amounts are income-based, households receiving PBV assistance must notify the management office and KCDC of any changes to income or deductions. By signing below, you are indicating that you understand that all income and deduction changes must be reported to the management office and KCDC within one week of occurrence. Failure to do so could result in owing back rent.

A household's income, assets, and deductions will be reviewed on an annual basis at minimum, to coincide with the household's LIHTC recertification. By signing below, you are indicating that you understand that your household must follow all annual recertification requirements to maintain tenancy after the first year of residency.

Timeline for Response

Once a household is approved for occupancy and an appropriate unit comes available, the household will be provided with a period of 2 weeks for which to respond. The household must respond within this 2 week period; if no response is received, the unit will be offered to the next qualified household on the waitlist, and the unresponsive household will be moved to the bottom of the waitlist. If a household fails to respond twice, the household will be removed from the waitlist. Please note that the 2 week period does include weekends and holidays.

Applicant Signature

Date

Applicant Signature

Date



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PROGRAM POLICY & PROCEDURE

Helen Ross McNabb Center

Housing

SECTION: Screening and Access to Service

Page 1 of 1

SUBJECT: **Waiting Lists**

Effective Date: 01/31/02

Revision Date:

10/25/06, 11-20-06, 3/10/09,
10/1/09; 2/25/11, 11/12/13,
12/4/13, 5/30/14, 9/23/14,
12/1/14; 4/9/18; 5/27/22

Approved By: Sr. Director of Adult Outpatient MH and Recovery Services

POLICY: **Hamilton County housing sites and Dogwood Springs Senior Housing will maintain waiting lists for housing- differentiations based on eligibility criteria. Potential tenants are screened on a first-come, first-serve basis.**

PROCEDURE:

1. The housing sites located in Hamilton County will maintain 3 separate waiting lists for housing based on the differing eligibility criteria:
 - a. Independent Living- Hamilton
 - b. Priority Supportive Living Facility- Hamilton
 - c. Community Supportive Living Facility- Hamilton
2. Dogwood Springs will maintain 1 waiting list for housing.
3. As requests for housing are received, the potential tenant's name and contact information will be placed on the appropriate waiting list. Potential tenants will also be provided with alternative housing resources at this time.
4. As vacancies become available, the Property Manager will begin contacting potential tenants by going down the list in the order that the housing request was received.
5. Upon making contact with a potential tenant on the waiting list, the Property Manager will begin the application process.
6. If a potential tenant is deemed ineligible for housing during the application process or cannot be contacted/located after repeated attempts, the Property Manager will attempt to make contact with the next person on the list.
7. The Property Manager will note the disposition of each case on the waiting list and maintain in his/her files for future reference.
8. The property manager will make a minimum of 3 attempts to contact potential applicants before moving the potential applicant off of the waiting list.



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Weaving the fabric of a strong community

Flenniken Landing & Callahan Flats

PSH Waitlist Policy and Procedure

Knoxville Leadership Foundation (KLF) is committed to affordable housing in Knox County. As of 2025, KLF is engaged through ownership and the provision of supportive services for 106 permanent supportive housing (PSH) units located at two locations: Flenniken Landing and Callahan Flats. These 106 individual units utilize project-based vouchers (PBV) in partnership with the Knoxville Community Development Corporation (KCDC). With an ongoing commitment to utilize PBV units to house chronically homeless, single adults, KLF utilizes the joint community waitlist as mandated by the U.S. Department of Housing and Urban Development (HUD) for members of Continuums of Care (Knoxville is identified as COC TN-502). The following policy details the TN-502 local waitlist policy for housing chronically homeless individuals into PBV-based permanent supportive communities and is implemented as standard practice for KLF's Flenniken Landing and Callahan Flats PSH units.

Waitlist Management for Permanent Supportive Housing (PSH) Units for Chronically Homeless Households

The following guidelines apply to all Permanent Supportive Housing (PSH) units in CoC TN-502 which are dedicated for chronically homeless individuals. The purpose of these community standards is to shorten the amount of time between initial coordinated entry intake and permanent housing. These standards will ensure that available PSH units are filled as quickly as possible with the households most in need of PSH.



The Coordinated Housing Assessment and Match Plan (CHAMP) is the coordinated entry system for CoC TN-502. At CHAMP intake, the Head of Household (HoH) is assessed using a standardized vulnerability assessment which determines eligibility for housing case management and the most appropriate housing resource. Upon connection to housing case management, the household receives a Housing Needs Assessment and the HoH is referred to the By-Name List which matches the housing need. The CHAMP By-Name List for PSH is the community waiting list for PSH properties in CoC TN-502.

The PSH By-Name List (PSH waitlist) will be managed by prioritizing those most in need based on the following prioritization guidelines:

1. Chronically homeless individuals with high service needs will be selected in order of highest prioritization as described in the CHAMP prioritization guidelines.
2. If there are two individuals with the same priority score, the person with the higher vulnerability score (as assessed using the CHAMP vulnerability assessment) will be selected.
3. If there are two individuals with equal priority and vulnerability, the individual who has the longest total time homeless will be selected.
4. If there are two individuals with equal priority, vulnerability, and time homeless, then the individual who has been engaged with the CHAMP process longer will be selected.

In the event that there are no chronically homeless individuals able to accept a unit on the by-name list when a unit becomes available, CHAMP will select the individual as identified above from those individuals who are non-chronically homeless. Specifically:

Individuals with a disabling condition who do not yet meet chronic homeless criteria based on time homeless will be selected in order of highest priority, vulnerability, and length of homelessness as described above.

To ensure that available PSH units are filled as quickly as possible, applicants prioritized through CHAMP must be deemed “Applicant Ready” by the PSH By-Name Workgroup. Individuals are “Applicant Ready” when they have the documentation needed to complete a housing application in a timely manner. Specifically, the following documents must be uploaded into the Homeless Management Information System (HMIS):



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- **Valid State Issued Photo ID for all household members age 18 and older** (this can be a photocopy when applying for KCDC).
- **Social Security Card for all household members** (this can be a photocopy when applying). If the client is applying for a Social Security Card, a printout from the Social Security Administration explaining that the card has been ordered can be used while applying, but the physical card must be supplied at lease signing.
- **Birth Certificate for all household members or any other document that verifies citizenship** (e.g. DD214, passport, Certificate of Naturalization, Certificate of Citizenship, Consular Report of Birth Abroad). Photocopies of the above documents can be used while applying through KCDC.
- **Homeless Verification**
 - For those applying for PSH units intended for singles (no dependents in household), The *CHAMP 3rd Party Chronic Homelessness Verification Packet* must be completed. This form can be found on knoxhmis.org in the CHAMP tab labeled the same.
 - For those applying for Family PSH units, the housing case manager must acquire a Homeless Verification Form.
- **Disability Verification**
 - An awards letter for SSI/SSDI or VA disability benefits can be used to verify disability.
 - Alternatively, the *Disability Verification Form* can be used. The *Disability Verification Form* must be completed by a person licensed to diagnose the disability that is being verified. This form can be found at knoxhmis.org in the CHAMP tab.

As application documents are assembled, the housing case manager will upload all the above, necessary documents to the HoH's HMIS file. **Once all documents have been uploaded, the client will be determined "Applicant Ready."**



The Case Coordination Group attempting to fill vacant housing units will:

Reference the CHAMP PSH By-Name list in the attempt to identify the top-priority client that is eligible for the vacancy in question. Clients are able to identify which property they most prefer on the By-Name List, but will be offered any housing opportunity available. Once identified, a member of the group will review the head-of-household's Client Profile in HMIS to ensure the client is "Applicant Ready."

- If the client is "Applicant Ready," the client will be designated as the primary target for the housing vacancy and can start the application process for the vacancy. ****Note: Being "Applicant Ready" does not guarantee eligibility for any housing vacancy.**
- If the client is not "Applicant Ready," the Case Coordination Group will return to the By-Name List to identify another potential applicant. In addition, the CHAMP Facilitator will contact the housing case manager assigned to the client who was not "Applicant Ready" to inform the case manager what information is needed to pursue future housing vacancies.

Upon selection of a household during the By-Name Workgroup meeting, the housing case manager of the selected household will speak with the client about the housing opportunity. It is recommended that the household arrange a tour at the PSH location. If the household elects to pursue the housing opportunity, the housing case manager will reach out to the PSH provider who will provide a current application for the property and for the appropriate PBV. The housing case manager and client will have no more than two (2) weeks from the date of selection to complete all needed applications and return them to the housing provider. (If the household declines the offer or cannot complete the application within two (2) weeks, they will remain on the By-Name List until they are the priority for another housing offer or until they are exited from CHAMP.) Individuals will be removed from the waiting list and exited from CHAMP if there has been no contact with the housing case manager after 90 days, if they are housed outside of a CHAMP PSH unit, or if the client requests to be removed from consideration.

Upon receipt of both the property application and PBV application, the PSH provider will process the application to ensure that the household meets all eligibility requirements for the property. The PSH provider will submit the PBV application and all supporting documentation to KCDC so that the processing of the property application and the PBV

V.04.2025

4



application can occur simultaneously. Supporting documentation will include verification that the applicant was selected from the CHAMP by-name list. Because applicants to PSH are homeless and may not have a reliable means of contact, the PSH property will contact the client’s housing case manager regarding screening results. Upon approval of both the property application and the PBV application, the unit inspection and lease signing will be scheduled. If the household is denied by either the PSH property or KCDC due to failing the screening, the client and housing case manager may request an appeal by with the agency that issued the denial. If a household is deemed ineligible for consideration for PSH based on their CHAMP score, they may request an appeal with the CHAMP facilitator.



Resident Selection Policy
MEADOWBROOK APARTMENTS (ROSEWOOD)
3610 LYONS WAY
KNOXVILLE, TN 37917



Telephone Number: **(865) 673-8314**
 Telecommunications Statewide access dial 711

05/01/2025

This property has received an allocation of Low-Income Housing Credits (LIHTC) under Section 42 of the Internal Revenue Code. The objectives of the Resident Selection and Occupancy Policy are to:

- 1) Promote the overall goal of providing safe, decent, sanitary housing to:
 - a. Establish high standards of qualification for occupancy, and
 - b. Lawfully deny admission or continued occupancy to anyone whose presence in the apartment community could adversely affect the health, safety, or welfare of other residents or whose presence could adversely affect the physical environment of the community, and
 - c. Ensure the fiscal stability of the community and of the owners.
 - d. Comply in spirit and in practice with all applicable fair housing laws, specifically Title VI of the Civil Rights Act of 1964, Title VIII, Section 804 of the Civil Rights Act of 1968, the Fair Housing Amendments Act of 1988, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Fair Housing Amendments Act of 1988, Equal Access to Housing in HUD Programs - Regardless of actual or perceived Sexual Orientation or Gender Identity, Final Rule and any legislation protecting the individual rights of residents, applicants, or staff which may subsequently be enacted.

- 2) Execute proper management activities through established and implemented management policies and procedures.

Please contact the management office if you need help understanding this document.

Rosewood L.P., doing business as Meadowbrook Apartments, has a **PVA Housing Assistance Payment contract with Knoxville's Community Development Corporation (KCDC)**. Applicants are subject to KCDC eligibility and income requirements in addition to meeting the owners Resident Selection Criteria.

The property has three buildings containing 72 units. Twenty-nine 2- bedroom and forty-three 3- bedroom units.

INCOME LIMIT RESTRICTIONS

A household's income may not exceed the current Area Median Income (AMI) guidelines established by the Department of Housing and Urban Development (HUD) for the County of KNOX located in the State of TENNESSEE.

Yes No This property operated under the IRS Low Income Housing Credit program. (IRC §42). Households' annual income limit may not exceed the 60% published program income limit. The current year LIHC Program Income limits are in **Appendix A** of this document.

FAIR HOUSING

The Owner is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, disability, familial status, national origin, and regardless of actual or perceived sexual orientation or gender identity or marital status of applicants and residents.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504. (24CFR, part 8 dated June 2, 1988).

Michael Whitt, Section 504 Coordinator
LHP Management
Suite 2000, 900 S. Gay Street
Knoxville, TN 37902
Phone: (865) 244-4311, Telecommunication: **Dial 711** (Nationwide Number)

LHP Management, agent for Owner, does not discriminate against applicants based on their race, color, religion, sex, national origin, familial status, disability, actual or perceived sexual orientation, gender identity or marital status. In addition, we have a legal obligation to provide "reasonable accommodations" to applicants if they or any family members have a disability. Compliance actions may include reasonable accommodations, as well as structural modifications to the unit or premises. A reasonable accommodation is some modification or change that we can make to our policies or procedures that will assist an otherwise eligible applicant with a disability to take advantage of the program.

BUSINESS RELATIONSHIP

The relationship between a landlord (owner/agent) and an applicant or resident is a business relationship. A courteous and businesslike attitude is required from both parties. The owner/agent reserves the right to refuse rental to anyone who is verbally abusive, swears, is disrespectful, makes threats, uses discriminatory language, or appears to be intoxicated or under the influence of alcohol or drugs.

If the applicant or any member of the applicant's family demonstrates unprofessional behavior in the presence of management teams or other resident/applicant, the applicant(s) will be required to leave the property, and the application will be rejected.

If the applicant or any member of the applicant's family exhibits threatening behavior, appears to be intoxicated or under the influence of alcohol or illegal drugs or attempts to intimidate the staff, the applicant(s) will be required to leave the property, and the application will be rejected.

If the applicant or any member of the applicant's family is inappropriately attired when visiting the management office, the applicant will be asked to leave. Appropriate attire includes shoes, shirt and pants, shorts, or skirt. Unacceptable attire includes but is not limited to:

- Pajamas or bathing attire
- Clothing that allows display of foundation garments (underwear)
- Clothing with inappropriate language or pictures

Animals, other than assistance animals necessary to allow the applicant/resident to conduct business with the owner/agent, are not allowed in the management office.

Aside from the standard property charges, the property staff is not permitted to accept any money, gifts, services, or favors connected with the application process or associated with any aspect of residency at this Community.

SMOKING POLICY

This property is a completely smoke-free facility. Due to increased risk of fire, the known health effects of secondhand smoke, and increased maintenance costs, the use of smoking products is not permitted anywhere in the building or on the property. This includes, but is not limited to, individual living spaces, all common areas, hallways, stairs, elevators, restrooms, and other enclosed areas or anywhere on the property outside the building.

This policy applies to all residents, guests, vendors, staff, and service persons. Residents are responsible for ensuring that all household members and guests comply with this rule. The term “smoking” is defined as inhaling, exhaling, burning, or carrying any lighted cigarette, cigar, pipe, or other lighted tobacco product in any manner or any form. Smoking will only be allowed in a designated smoking area if one is provided. Residents and their guests may use electronic cigarettes (e-cigs) inside individual living units or in a designated smoking area, (DSA) if provided. They may also use medically prescribed products when used in accordance with a current valid prescription.

ELIGIBILITY OF STUDENTS LOW INCOME HOUSING TAX CREDIT HOUSING PROGRAM

The low-income housing tax credit program considers Kindergarten through 12th grade or a qualifying education organization for any time within any five months of the calendar year; the months do not have to be consecutive. A month is counted if the student attends or attended at least one day in that month. HUD and LIHTC accept a student as “full-time” if the student is considered full-time by the education institution.

Households that are composed entirely of full-time students do not qualify for the low-income housing tax credit program unless *at least one member of the household meets one of the exceptions under IRC §42(i) (3) (D)*. individual who is:

- A student receiving assistance under Title IV of the Social Security Act, (includes Public assistance, cash benefits, does not include food stamps)
- A student who was previously under the care and placement responsibility of the State agency responsible for administering a plan under part B or part E of title IV of the Social Security Act (as added by the Housing Assistance Tax Act of 2008, and applicable to determinations made after July 30, 2008) (Foster Care), or
- A student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, state, or local laws.
- Single parents who are a student, the student nor their dependents are claimed by another individual other than a parent of such children, or
- married and file a joint return. A married couple that is entitled to file a joint tax return, but has not filed one, satisfies the exception.

Student status will be verified prior to initial occupancy and annually thereafter.

Exclude all assistance received under 479B of the Higher Education Act (HEA). The HEA student assistance is made available through federal, state, or local programs financed with federal funds.

Include "other" student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs. "Other" student financial assistance includes but is not limited to grants or scholarships paid directly to the student or to the educational institution on the student's behalf.

Households receiving Section 8 rental assistance: If the student is the head of household, cohead, or spouse and is 23 or younger or does not have dependent children, then 479B assistance will be part of the total equation

If the household is considering a change in student status (any household member) or there is a change in student status for a household member, the head of household, and adult student if applicable is required to **report those changes to the Management agent within 14 days** to determine if the household remains qualified for the program.

ACCEPTING APPLICATIONS

Applicants visit the office at Meadowbrook Apartments to be placed on the property PBV waiting list. To be placed on the waiting list, applicants will complete a short pre-Application form. Applicants who are already on the KCDC waiting list will be permitted to place their names on the property waiting list.

It is the property's policy to accept and process applications in accordance with program regulations. Each application constitutes the basic legal record of each family and supports the determinations of eligibility status, and size of the unit for which the applicant is qualified.

Each applicant will be required to supply information as requested on the application and to sign the application attesting to the accuracy of the data provided. The application also constitutes the basis for determining the applicant's priority status for selection.

When an application is submitted:

- 1) The application will be accepted either in person or by U.S. Mail.
- 2) Each **complete application** will be date and time recorded upon receipt.
- 3) If a proper size unit is not available, applicants will be placed on a waiting list at the initial time of application.
- 4) Verification of application will take place at such time as applicant's name has reached the top of the appropriate waiting list and a unit is expected to become available.
- 5) Verification of the application will continue until there is a reason to determine the application is not eligible. The applicant will have (14) business days to provide additional verification to determine eligibility for occupancy unless otherwise noted herein.
- 6) The applicant will be notified in writing of a determination. The notice will be mailed to the applicant within (30) business days from the date of the determination. The applicant will be informed of any review rights the applicant may wish to exercise. The reason(s) for rejection will be documented and the application filed for a minimum of three years.

An application will not be processed if during the application process an applicant exhibits acts of intimidation, harassment (including sexual harassment), verbal abuse, physical threat, violence, or social misconduct of, or to, any employee of this apartment property. Additionally, where applicable, such incidents will be reported to local law enforcement.

APPLICATION PROCESSING

Applications are accepted and processed by the management staff. All communication with applicants will be made in person, by phone or first-class mail. Failure to respond may result in the withdrawal of an application from further processing. Management may make an exception to the procedures described herein to consider circumstances beyond the applicant's control, for example, medical emergencies or extreme weather conditions.

Written applications for open waiting lists will be accepted by all applicants who apply. Subsequent review will eliminate applications of households that do not qualify for project or program eligibility.

Every application must be completed, signed, and dated by the head of the household and by all other adult members of the household. The application must be completed with all questions answered or it will be rejected as an incomplete application.

An application that is not signed or dated by all adult members of the household will be rejected as an incomplete application. The management staff will assist any applicant who may need assistance completing the application.

Applicants with disabilities may be provided with an alternative method of having their application processed because of their disability.

The applicant(s) must provide pertinent information and/or documentation to the management staff with the application so eligibility can be determined.

The Owner/Agent Considers false information about any of the following to be grounds for rejecting an applicant:

- 1) Identity
- 2) Social Security Numbers/Information
- 3) Income
- 4) Assets/Income from Assets
- 5) Failure to disclose assets disposed of for less than fair market value in the past two years.
- 6) Household Composition
- 7) Rental History
- 8) Criminal History

As applications approach the top of the waiting list, the family will be contacted to schedule an application interview. The interview will be conducted in accordance with regulatory guidelines.

If, during the interview, it becomes apparent the family is ineligible, the family will be informed and given a reason(s) for the ineligibility. The application will be denied for the given reason(s) and retained for a minimum of three years from the date the application was denied. The waiting list will be documented accordingly.

The Owner reserves the right to determine specific times when applications will be accepted and when application interviews will be conducted. Acceptance of applications and application interviews may be scheduled "by appointment only". Whenever possible, application interviews will be conducted in privacy.

Applicants are responsible to report changes in income, family circumstances, elderly status, student status and other relevant changes that may affect the family's eligibility status.

Rejected Applicants are eligible to reapply no earlier than 6 months from the date of rejection.

INCOME QUALIFICATIONS

All applicants must provide the households income information to determine eligibility for residency. Each applicant must provide information necessary to verify **all** income sources to determine the eligibility of the applicant prior to moving-in. Investments, monetary contributions, interest income from all assets held by household members, and income from other sources must be claimed to determine eligibility.

RENTAL HISTORY

Once eligibility has been determined based on the criteria set forth by HUD regulations, management will evaluate each applicant to determine eligibility utilizing its resident screening criteria. Management will deny admission to any otherwise eligible applicant whose habits, practices or conduct in present or prior housing has been such as would likely interfere with other residents as to diminish their enjoyment of the premises by adversely affecting the physical environment or financial stability of the property if the applicant were admitted to the property.

Applicants including, but not limited to live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in must provide information to verify acceptable rental history for the past three (3) years. Verifiable Rental History will include a completed Landlord Verification Form or a copy of the applicant's rental agreement showing a monthly amount that is due to rent along with copies of cancelled checks or payment receipts.

Acceptable rental history in the past three (3) years must include:

- 1) A history of no civil disturbances.
- 2) A history of no physical abuse or damage to previous places of residence.
- 3) A history of prompt, timely payments of rent, damages, or other charges.
- 4) A history of compliance with all former lease terms.
- 5) A history of no evictions from any other housing facility or moving to avoid eviction.
- 6) A history of responsible personal and community behavior
- 7) A history of responsible community behavior that does not cause irreparable damage to the reputation of the apartment community.
- 8) A history that does not exhibit intimidation or threats of physical harm to management, maintenance personnel or other residents.

Rental History screening will not apply to applicants renting for the first time; however, the applicants must meet all other screening criteria to qualify for occupancy.

CREDIT HISTORY

A credit history check is required of each applicant eighteen (18) and older including additional household members wishing to move-in after the initial move-in. The credit report will be obtained from a reputable credit-reporting agency.

An unsatisfactory credit report could result in rejection of the application.

An application will be rejected if:

- Yes No Families/persons left a previous residence owing an outstanding balance for rent, damages, or other charges that remain unpaid.
- Yes No Families/persons owe an outstanding balance to a utility company (electric, water, sewer, gas).

In the case of credit references, the responsibility of management is limited to informing the applicant that eligibility has been rejected based on confidential information received from the reputable credit agency. Management will reappraise a credit report forwarded to management by the credit agency on behalf of the applicant that encompasses certain corrections or additions made in that report because of action taken directly by the applicant with the credit agency.

- 1) Failure to provide reasonable, acceptable explanations of the poor credit history that can be verified through a reliable, third-party source will cause rejection of the application. An acceptable explanation must be provided by an impartial third party in writing on company or agency letterhead stationery.
- 2) The applicant(s) will have the opportunity to clear these matters from their credit record and/or discuss the matters with the management staff. The name, mailing address and telephone number of the credit-reporting agency will be provided to the applicant(s).
- 3) Failure of the applicant(s) to clear alleged erroneous reports from their credit history could result in the rejection of the application.

An applicant with no credit history will be considered an applicant with good credit history.

DRUG ABUSE, SEX OFFENDER AND OTHER CRIMINAL ACTIVITY

A criminal background check will be completed on each applicant household member 18 and older, live-in aides, security/police officers or additional members 18 or older wishing to move-in after the initial move-in. A general consent for the release of information for background checks will be signed by each member 18 and older with the application paperwork. Refusal to sign a consent form will result in rejection of the application. Only applicants with a satisfactory background check will be accepted for residency in this community. The criminal background report will be obtained from a reputable reporting agency.

An application will be rejected if:

- If the landlord has verifiable knowledge that any member gives reasonable cause to believe is currently engaging in illegal drug use, or pattern of illegal drug use that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents.
- If the landlord has verifiable knowledge that any person listed on the application gives reasonable cause to believe a household member's abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A. The Owner has established a reasonable time before the admission decision:

- Yes No Violent Felony convictions less than six (6) years from the date of screening will be considered reason for denial. **(AR, TN, KY, GA, VA)**
- Yes No Violent Felony convictions less than five (5) years from the date of screening will be considered reason for denial. **(Louisiana)**
- Yes No Non-Violent Felony convictions less than five (5) years from the date of screening will be considered reason for denial. **(AR, TN, KY, GA, VA)**.
- Yes No Non-Violent Felony convictions less than three (3) years from the date of screening will be considered reason for denial. **(Louisiana)**
- Yes No Violent Misdemeanor convictions less than three (3) years from the date of screening will be considered reason for denial. **(All)**

Non-Violent Misdemeanor convictions will not be considered a reason for denial.

- C. Charges that are pending at the time of screening may be considered subject to an individualized assessment.
- D. If a member of an applicant household has been convicted of a felony offense or violent misdemeanor offense during the applicable "further review period" (dated from the day of conviction), the housing provider may choose to consider that record in determining whether to accept or deny an applicant household based on the criteria listed under Individualized Assessment.
- E. Individualized Assessment – mitigating circumstances Second Level Review

If an application is rejected resulting from the criminal criteria search, the Owner/Agent will consider **mitigating circumstances**, by **second level management** on receipt of written request received within ten (10) days from the date of the application rejection notice. The following information will be considered.

- The seriousness of the case, especially with respect to how it would affect other residents.
- The effects that denial of admission may have on other members of the family who were not involved in the action or failure.
- The age of the household member at the time of the offense.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, or stalking.
- The length of time since the violation occurred, with weight being given to significant periods of good behavior, as well as the family's recent history, and the likelihood of favorable conduct in the future.
- Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs.
- Evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program, or recommendations

from a parole or probation officer, employer, teacher, social worker, or community leader; and

- Tenancy support or other risk mitigation services the applicant will be receiving during tenancy.

F. If the applicant's criminal conviction was related to his or her disability, the management company will consider reasonable accommodations.

G. The owner shall ensure that this policy is uniformly applied to all applicants in a non-discriminatory manner and in accordance with applicable fair housing and civil rights law.

Review of Applications for acceptance or rejection.

- 1) If the applicant requests an appeal interview to determine whether mitigating circumstances or reasonable accommodations due to their disability would make it possible to accept their application, management will do so according to HUD regulations and Section 504 of the Rehabilitation Act of 1973.
- 2) If you are a person with a disability, you have the right to request reasonable accommodations to participate in the informal hearing process.
- 3) If an applicant is clearly eligible and passes the screening guidelines, admission shall be authorized. Likewise, if the applicant is ineligible, rejection of the application shall be authorized.
- 4) Management will follow the grievance process by enacting **second level review as outlined in the property Grievance procedures** as set forth in the HUD Handbook 4350.3 Revision 1 which is the applicant's right to respond to the owner in writing or request a meeting within 10 days after the occurrence of adverse action or a notice of intent to take adverse action.

APPLICANTS WITH DISABILITIES

Management must consider the appeal of an application rejection if the applicant has a disability and the reasons for the rejection could be overcome by management's reasonable accommodation of the applicant's disability. For reasonable accommodation, there are several requirements. First, the applicant must make the request and have a verifiable disability [mental or physical impairment that substantially limits one or more major life activities]. The disability must have a direct nexus to the reason the application would be rejected. The applicant must request reasonable accommodation and provide verification of the disability and the need for the accommodation. Finally, for the accommodation to be reasonable it cannot result in an undue financial and administrative burden to the Property.

In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations, the applicant is not eligible, and the application will be rejected. Examples of such situations are where the behavior or performance in past housing caused a direct threat to the health or safety of persons or property; history or other information that shows the applicant's inability to comply with the terms of the Property's Lease; or an objective determination that the applicant would require services from management that represent an alteration in the fundamental nature of the Property's program.

B. Criminal background checks during residency:

Management reserves the right to require criminal background checks at any time during residency if in receipt of credible and verifiable information. Past criminal history of applicants/residents may be basis for rejection/eviction if information received from law enforcement authorities indicates that an applicant or resident or household member may pose a threat to the health, safety, or right to peaceful enjoyment by other residents, property management staff or persons residing in the immediate vicinity of the facility.

Refusal to sign a Consent Form when requested will result in the rejection of the application or the termination of the lease agreement.

Knowledge gained after moving in of any criminal activity *resulting in conviction* of a household member for any of the above stated activities will result in immediate termination of the lease agreement.

VIOLENCE AGAINST WOMEN ACT

PROTECTIONS PROVIDED UNDER THE VAWA: The Violence Against Women Act (VAWA) provides protections to women or men who are the victims of domestic violence, dating violence, sexual assault and/or stalking – collectively referred to as VAWA crimes. The owner/agent understands that, regardless of whether state or local laws protect victims of VAWA crimes, people who have been victims of violence have certain rights under federal fair housing regulation.

This policy is intended to support or assist victims of VAWA crimes and protect victims, as well as affiliated persons, from being denied housing or from losing their HUD assisted housing because of their status as a victim of VAWA crimes.

Affiliated persons include:

1. A spouse, parent, brother, sister, or child of the victim, or a person to whom the victim stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of the victim); or
2. Any individual, resident/applicant, or lawful occupant living in the household of that individual.

VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime. However, being a victim of a VAWA crime is not a reason to change the eligibility or applicant screening requirements set forth in the Tenant Selection Plan unless such requirements interfere with protections provided under the VAWA.

For example: An owner/agent may waive the requirement to review landlord history for an applicant if the victim has provided necessary documentation to certify their status as a victim and if contacting a previous landlord would put the applicant's location at risk of exposure to the accused perpetrator.

CONFIDENTIALITY

The ***Notice of Occupancy Rights under the Violence Against Women Act*** provides notice to the resident/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof. The identity of the victim and all information provided

to the owner/agent relating to the incident(s) of abuse covered under the VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is

1. Requested or consented to by the victim in writing; or
2. Required for use in an eviction proceeding or termination of assistance; or
3. Otherwise required by applicable law.

The owner/agent will retain all documentation relating to an individual's domestic violence, dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

REQUESTS & CERTIFICATION

When the owner/agent responds to a request to exercise protections provided under the VAWA The owner/agent will request that an individual complete, sign, and submit the VAWA certification form, within fourteen (14) business days of the request. This certification may be submitted in an equally effective manner, as reasonable accommodation, if there is the presence of a disability.

If the applicant/resident has sought assistance in addressing domestic violence, dating violence, sexual assault and/or stalking from a federal, state, tribal, territorial jurisdiction, local police or court, the resident may submit written proof of this outreach in lieu of the certification form. The owner/agent will accept the following.

- A federal, state, tribal, territorial, or local police record or court record or
- Documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) From whom the victim has sought assistance in addressing domestic violence, dating violence and/or stalking or the effects of the abuse. The signatory attests under penalty of perjury (28 U.S.C. §1746) to his/her belief that the incident in question represents bona fide abuse, and the victim of domestic violence, dating violence and/or stalking has signed or attested to the documentation.

The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

LEASE BIFURCATION

If the owner/agent determines that physical abuse caused by a resident is clear and present, the law provides the owner/agent the authority to bifurcate a lease i.e., remove, evict, or terminate housing assistance to any accused perpetrator, while allowing the victim, who lawfully occupies the home, to maintain tenancy.

LEGAL ACTION

Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, the owner/agent may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

EMERGENCY TRANSFER

The owner/agent will consider an Emergency Transfer Request when a person seeking to exercise VAWA protections feels that there is:

- In imminent danger
- Was sexually assaulted on the property within 90 days of the request.

ATTEMPTED FRAUD

Any information provided by the applicant that verification proves to be untrue may be used to disqualify the applicant for admission based on attempted fraud. If any of the following are discovered during the application process may be grounds for rejecting an application:

- 1) Income, assets, household composition
- 2) Social Security Numbers
- 3) Previous residence history
- 4) Criminal history
- 5) Student status, full or part time

If the applicant or any member of the applicant household fails to disclose rental history fully and accurately, the application may be denied based on the applicant's "misrepresentation." of information.

Unintentional errors that do not cause preferential treatment will not be used as a basis to reject the application.

ADDITIONAL REASONS FOR REJECTION OF APPLICATION

- 1) If a household fails to move into the rent-ready unit on the agreed date, the application can be rejected, and the unit will be offered to the next qualified applicant on the Waiting List.

OCCUPANCY STANDARDS

Dwelling units are to be leased in accordance with the standards set forth below. If an applicant's household qualifies for more than one unit size, the family may choose one unit type or the other or be placed on both waiting lists.

Bedrooms		Minimum Occupants		Maximum Occupants
2	<input checked="" type="checkbox"/>	2	<input checked="" type="checkbox"/>	5
3	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	7

A live-in aide/attendant who is not a member of the family shall not be required to share a bedroom with another member of the household.

Any family placed in a unit size different than that defined in these occupancy standards shall agree to transfer to an appropriate size unit when one becomes available at their own expense. Families temporarily assigned a larger unit size to achieve or sustain full occupancy will be transferred to the proper unit size when one becomes available. If the resident is occupying a

unit that is larger than needed and there is no demand for that larger unit, the resident will not be required to move from the larger unit until there is a demand for that size unit and at their own expense. Children who are away at school who have established a residency at another address or location evidenced by a Lease Agreement are not counted in occupancy.

COUNTING FAMILY MEMBERS FOR ASSIGNING BEDROOM SIZE

To determine how many bedrooms a family/applicant may have, the following will be counted:

- 1) All full-time members of the household
- 2) Children who are away at school but live with the family during school recesses who have not established a residency at another address or location evidenced by a lease agreement are counted in occupancy.
- 3) Children who are subject to a joint custody agreement but live in the unit at least **50% of the time**.
- 4) An unborn child.
- 5) Children whose custody is being obtained by a household member.
- 6) Children in the process of being adopted by a household member.
- 7) Children temporarily in foster-care will return to the family.
- 8) Foster children & foster adults.
- 9) Live-in aide/attendants.

Bedroom space will not be provided for others who are not members of the household (e.g., children on active military duty (unless their spouse and/or children still reside in the unit), permanently institutionalized family members, visitors, etc.).

ACCESSIBLE UNITS

For units accessible to persons with mobility, visual or hearing impairments, households containing at least one person with such impairment will be given priority for those designated accessible units.

The accessible units will be filled as follows:

- 1) A current household containing at least one person with such impairment who would benefit from the special features of the accessible unit.
- 2) If no current household requires the special features of the accessible unit, the unit will be offered to the next qualified applicant on the Waiting List who requires the special features of the accessible unit.
- 3) If no qualified applicant on the Waiting List requires the unit with the special features, the accessible unit will be offered to the next qualified applicant not requiring the special features. Should the applicant accept the accessible unit, the applicant will execute a statement acknowledging agreement to vacate, relocate to a non-accessible unit when a person requiring the special features qualifies. The cost of transferring will be the responsibility of the person who moved into the accessible unit executing the transfer agreement. No costs of the transfer shall be borne by the Owner or Owner's Agent.

Priority will be given to those who require a unit transfer due **to reasonable accommodation and for VAWA emergency transfers**. This means that a resident transferring from one unit to another as a Reasonable Accommodation or VAWA emergency transfer will be offered a unit before an applicant.

Management will give priority to current residents:

- Residing in a unit that has been determined uninhabitable due to flood, fire, or other natural disaster.
- When a unit is designated for rehabilitation or repair.

These situations represent extenuating circumstances, and the normal selection order may be adjusted to address the needs of these residents.

When a resident transfers to a new unit with all other household members, the security deposit and pet deposit (if applicable) will be transferred to the new unit providing that the original unit is left clean and with no damages beyond normal wear and tear and after the resident has met all the terms stated above.

A new one-year lease will be executed unless the transfer is done during the initial one-year term, in which case the lease will be made effective on the date of the transfer and continue through the end of the one-year lease term.

Depending upon the circumstances, all costs associated with the transfer will be the responsibility of the resident, i.e., utilities, phone, and related moving expenses. However, if a resident is transferred as a reasonable accommodation to a household member's disability, the owner will be responsible for the moving expense only, unless doing so will be an undue financial and administrative burden.

SECTION 504 STATEMENT OF OBJECTIVE

It is the objective of the Owner to operate the housing program so the program, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. To accomplish this objective, the property will review its policies and procedures and:

- Modify those policies and procedures which impose barriers to full accessibility by individuals with disabilities; and
- Adopt such new policies and procedures as are required to provide full accessibility for individuals with disabilities.

The property will also evaluate its program and activities to determine if any physical barriers to full participation by individuals with disabilities exist, and will identify methods for eliminating the identified barriers by:

- Nonstructural changes in the program or activities; and/or
- Structural modifications needed to remove barriers so that the program is readily accessible to and usable by individuals with disabilities.

In selecting among available methods, the following guidelines will be used:

- 1) Priority will be given to methods that offer activities and facilities in the most integrated setting appropriate (i.e., so that disabled individuals may participate in the program in the manner which is most like the way individuals without disabilities participate).
- 2) No action will be taken which would result in a fundamental alteration in the nature of the property's program or activities.
- 3) No action will be taken, which would result in an undue financial/administrative burden on the property and the owner.
- 4) With respect to actions that would result in a fundamental alteration or undue burden, the property will take such similar action, if any, which would ensure that individuals with disabilities receive the program's benefits and services without resulting in a fundamental alteration or undue burden.
- 5) Priority will be given to methods that are requested by individuals with disabilities.

WAITING LIST

The Waiting List Procedures have been designed to take into consideration the needs of individual families for affordable housing.

Equal Housing Opportunity Statement: Management shall not discriminate against any applicant because of race, color, sex, familial status, religion, disability, national origin, age, source of income, actual or perceived sexual orientation, gender identity or marital status in the leasing, rental, or other disposition of housing. A disabled person shall be offered any vacant unit of the appropriate bedroom size. The applicant has the right to request reasonable accommodation at the owner's expense. The cost of the accommodation will be at the applicant's expense if Management can prove undue financial burden. The owner/owner's agent will comply with Section 504 (covers federally assisted units) of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964 and the Fair Housing Act.

Assignment Plan: Each applicant household shall be assigned an appropriate place on the waiting list in sequence based upon the date and time of application, suitable type or size of unit, and any other factors as determined by the owner. The applicant first on the waiting list shall be offered a dwelling unit in accordance with the following plan:

Waiting List Procedures

- 1) There will be one master waiting list for each program type/ bedroom size. Additional waiting lists may be maintained, such as Barrier Free, In-House Transfers and Subsidy Program Changes.
- 2) When the owner/agent estimates a unit will become available within sixty (60) days due to eviction, notice to vacant or abandonment, the applicant at the top of the waiting list will be contacted by telephone, email, or U. S. Mail.
 - When there is an anticipated PBV unit available, property management will select the first person on their waiting list that would be eligible for that bedroom size. If the first person fails to respond, property management will select the next person on their waiting list

- Management will attempt to contact the applicant by telephone at least two times during the next 48-hour period.
 - If contact by telephone fails, documentation of the attempts to contact the applicant will be filed with the application.
 - If contact cannot be made by telephone or email, a letter will be sent through the U.S. mail by certificate of mailing process providing an estimated date that a unit will be available for occupancy and requesting a date and time for an interview.
 - If there is no response to the letter within (14) business days from the date of letter, the applicant will forfeit the opportunity to apply for the available unit but will remain at the top of the applicable waiting list.
 - When a second unit becomes available, the same process as outlined above will occur
 - If the applicant does not respond to the second letter, the application will be placed in the inactive file. A letter will be sent through the U.S. mail by certificate of mailing process to inform them the applicant household that they have been removed from the waiting list.
- 3) Once selected and contact has been made, the applicant will be given appointment time and location by property management to complete their full application. The applicant will be informed of the required documentation to bring to their scheduled appointment.
 - 4) If the contacted person refuses an available unit or cannot move in within (14) days from the date a unit is ready for occupancy, the applicant will remain at the top of the applicable waiting list; however, a letter will be mailed immediately (within 48 hours) informing him/her that after the second refusal his/her name will be removed from the waiting list.
 - 5) When an interview is set up, but the applicant fails to show up and does not contact management within 24 hours of the appointment, the applicant will be removed from the waiting list and placed in the inactive file.
 - 6) Changes in family size and characteristics may result in moving the applicant to the appropriate unit size waiting list. The application will assume the position of the new list based on the date and time of the initial application. The decision to move an applicant to a more suitable waiting list rests entirely with management.
 - 7) All applicants are required to contact management by mail, email, or telephone at least once every 6 months to update contact information to remain active on the waitlist. Those applicants who fail to contact management at least once during each six-month period will be removed from the waiting list and placed in an inactive waiting list file. Applicants may reapply when the waiting list is open but will not assume their old position on the list. They will be treated as new applicants.
 - 8) It is the responsibility of the applicant to notify management in writing of any changes in phone numbers, addresses, and household composition.
 - 9) An applicant may be on more than one unit type waiting list if the household qualifies for more than one unit type. The date of the initial application will determine the place on lists.

10) Once the application is completed, property management will conduct preliminary screening and if eligible,

- Property management will complete the Meadowbrook Project Based Voucher referral form.
- Property Management will scan and email the Referral form and application to the assigned KCDC ROA. The owner may not offer a unit until KCDC (PHA) determines that the family is eligible for the program.
- On receipt of the referral and application from Meadowbrook Apartments, RAO will complete the KCDC application to determine eligibility.
- Once screening is complete, the RAO office will notify property management by returning the completed Referral form.
- Property management may proceed with a unit offer to the applicant.
- Property management will send Jennifer Bell (RAO) an acceptance letter for the prospective tenant once the unit is ready to be inspected.

Removal From Waiting List

The Owner/Agent will remove an applicant's name from the waiting list when any of the following applies:

1. Applicants request that the household be removed.
2. The unit needed for the household size has changed and no appropriately sized units exist at the property.
3. Applicant fails to meet eligibility requirements.
4. Applicant fails to meet occupancy standards.
5. Applicant fails to meet screening requirements.
6. Applicants are rejected for any reason described in the Plan.
7. Applicant cannot be contacted by US mail (letters returned or undeliverable) or phone (disconnected or changed).
8. Applicant fails to keep application information updated based on requirements noted in Plan.
9. The applicant was clearly advised, in writing, of the requirement to tell management of continued interest in housing by a particular time and failed to do so as described in the section above.
10. The applicant refused the 2nd offer of a unit.

Closing/Re-opening the Waiting List

- The waiting lists will be **closed** when the list of pre-applications has reached a number equal to the estimated annual turnover rate.
- Potential applicants will be advised the waiting list is closed and that additional applications will not be accepted.

- A notice will be published in a local newspaper of general circulation and notice to outreach groups that are identified in the property Affirmative Fair Housing Marketing plan stating the reason the waiting list is closed and that no additional applications will be taken.
 - People calling the community will be informed that the waiting list is presently closed and that it is necessary to reopen the waiting list.
- 1) The waiting list will be re-opened when the number of applications on file has been reduced to 30% of the estimated annual applications needed.
- The waiting list may be opened for a specific floor plan.
 - The date on which the waiting list will be opened using the same method as when the waiting list is closed.
 - A date will be set for 30 days from the date of the decision to reopen the list, and
 - A notice will be posted in a popular, local publication as well as notice to outreach groups identified in the AFHMP.

SECURITY DEPOSIT

A security deposit is due and payable at the time of the initial lease execution (move in).

The amount of the deposit to be collected is:

- **\$100.00.**

PRIVACY POLICY

It is our policy to guard the privacy of individuals conferred by the Federal Privacy Act of 1974, the Health Insurance Portability & Accountability Act of 1996 (HIPAA) Violence Against Women and Justice Department Reauthorization Act of 2013 (VAWA) to ensure the protection of such individuals' records maintained by our property.

Therefore, neither the property owner nor its agents shall disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure or information is being subpoenaed by a court of law.

This Privacy Policy in no way limits the property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.

We are dedicated to protecting the privacy of your personal information that was used to determine your eligibility for rental assistance including Social Security, other governmental identification numbers and any other required information. We have adopted a Privacy Policy for Personal Information of Applicants and Residents.

CONSENT AND VERIFICATION FORMS

PBV applicant households, KCDC will complete the determination of bedroom size based on family composition and the Annual Household income. THDA, the Low-income Housing Tax Credit program administrator accepts the determination of household income provided by the PHA.

The owner/agent shall obtain verifications in compliance with IRS Section 42 regulations, using the guidance in chapter 5 of the HUD Occupancy Handbook 4350.03. After the preliminary eligibility determination, no decision to accept or reject an application shall be made until information provided in the application form and subsequent interviews has been collected and any necessary follow-up interviews have been performed. All information relating to the following items will be verified as described in these procedures. The refusal to sign a General Consent for release of information will result in the rejection of the application.

Information to be verified: The following information will be verified:

- 1) Eligibility for Admission such as:
 - Income from all sources
 - Unearned income of minors
 - Assets and asset income ALL household members
 - Identification (all members 18 & older)
 - Age
 - Household Composition
 - Social Security Numbers
 - Student Status

- 2) Resident Selection Criteria:
 - Criminal History including State Lifetime Sex Offender Registration
 - Credit History
 - Rental History

- 3) The need for an Accessible Unit
 - Disability (if need not apparent)

Methods of Verification:

- 1) Third-party verification (as appropriate)
- 2) In the absence of UIV or third- party verifications; self-certification or affidavits from household member

Forms of Verification: Documentation required, as part of the verification process, may include:

- 1) Checklists completed as part of the interview process (signed by the applicant)
- 2) Verification forms completed and signed by third parties.
- 3) Reports of interviews
- 4) Documentation, ie, award letters, pay stubs, bank statements, IRS 1040, etc.
- 5) Notes of telephone conversations with reliable sources
- 6) Facsimile, email, and internet
- 7) IRS tax returns

At a minimum, such reports will indicate the date and time of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received.

Management will be the final judge of the credibility of any verification submitted by an applicant. If the documentation is doubtful, it will be reviewed by Management, who will make a ruling about its acceptability. Management will continue to pursue credible documentation until it is obtained, or the applicant's application is rejected for failing to produce it.

Sources of Information: Sources of information to be checked may include, but are not limited to:

1. The applicant by means of interviews
2. Present and former housing providers
3. Present and former employers
4. Credit checks and management record services
5. Social workers, parole officers, court records, drug treatment centers, physician, clergy
6. The Department of Health and Human Services (HHS)
7. The Social Security Administration (SSA)
8. Medicare/Medicaid
9. Law enforcement – federal, state, or local
10. Dru Sjodin National Sex Offender Public Website or other Vendor providing Sex Offender Screening
11. "Institutes of higher learning" for student status

Period of Verification: Verification must be received no less than 120 days from the date of the Certification or Re-certification. Verified information that is not subject to change (such as a person's date of birth) will not be re-verified.

Applicant and Resident income, and asset factors are Verified.

Management agents are required by Tax Credit program administrators to determine the family's eligibility for the program.

All student status and income sources including income earned by assets will be verified prior to initial occupancy, at annual recertification and when changes are reported by the household. The Management agent is required to obtain the applicable verifications to determine Gross Income for program eligibility.

Income Includes: Income includes but is not limited to Wages, Temporary Employment Agencies, Day Labor Agencies, 1099 Self-Employment, Gig income, Social Security, SSI, Public Assistance, Pensions, Child Support, Alimony, Cash and Non-Cash in-kind contributions, VA Benefits, Military Pay, Employer paid Disability Benefits, Recurring Retirement Account distributions, Unearned income of minors and income earned from Asset holdings.

Assets include Real Property, Personal Property Necessary and non-necessary.

- Real Property is categorized as land, homes, or personal property. Real Property is always counted as an asset regardless of value unless it is specifically excluded by HUD.
- Non-necessary personal property includes bank accounts (checking, savings, CD's) financial investments and luxury items. Luxury item examples include but are not limited to boats, car collections, Recreational vehicles, baseball card collections, stamp collections etc.
 - Non-necessary personal property will be listed on the Certification.
 - Non-necessary personal property will not be in the total included assets unless their combined net cash value exceeds \$51,600 adjusted annually for inflation.
 - O/A must consider and include actual asset income even if the assets total is \$51,600 or less.

Necessary personal property includes items that are essential to the household for the maintenance, use and occupancy of the premises as a home or are necessary for employment, education, or health and wellness, or items that assist a disabled family member, or items that are convenient or useful to a reasonable existence or support daily life. These items are always excluded.

Real Property Exceptions:

- The property is jointly owned, where the other owner resides in the property, and the other family members do not reside in the property; or
- The property is owned by a victim of domestic violence, dating violence, sexual assault, or stalking; or
- Family receives assistance for the property under 24 CFR § 982.620 (manufactured home PHA assistance to lease space) home or 24 CFR Part 982 (Section 8 Tenant based assistance voucher program); or
- The property is for sale.
- Real Property is not suitable for occupancy.
 - Does not meet the disability-related needs of the family.
 - Not suitable for the family size.
 - The geographical location of the property presents a hardship for commuting to work or school.
 - Property is in poor physical condition/unsuitable for occupancy.

Assets- Low Income Housing Tax Credit Program: Management Agents will follow the current LIHTC program Rules provided by State LIHTC Agencies.

- THDA has adopted HOTMA changes to determine Income and Assets.
- Assets with a value greater than \$51,600 will be verified prior to initial occupancy and at Annual Recertification.
- The Tax Credit program allows households to Self-certify the value of and income received from assets up to \$51,600 using the state specific asset certification form.

LEASE AGREEMENT

The Lease Agreement: A Lease Agreement shall be entered into between management and the head(s), co-head and all other members 18 and older of the household prior to the family's admission. The initial lease term will be no less than one full year (12 months). One copy of the executed Lease will be given to the resident, and one executed copy will be filed in the permanent file established for the household.

Term of Lease Agreement: During the term of the Lease, management shall be notified by resident in writing if:

- 1) Guests of the household are expected to stay in the unit for no more than (14) consecutive calendar days.
- 2) Residents have guests living in the units for more than a total of (14) calendar days for any (6) month period. Any resident in violation of this policy shall be subject to lease termination or eviction unless the guest is processed and accepted for residency.

Rent Adjustments: In the event of any rent adjustment, management will mail or deliver a notice of rent adjustment to the resident. Notices of rent adjustment will be issued to amend the dwelling Lease. Documentation will be included in the resident file to support proper notification as per 4350.3 requirements.

Changes in Family Composition: Changes in family composition shall become part of the existing Lease only upon the expressed approval of management. Any change shall be reported by the resident within ten (10) days of said change. Any family member out of the household for more than 30 days, unless for shared custody, will be removed from the family household composition.

ABANDONMENT OF DWELLING UNIT

During the term of the Lease, a unit will be considered abandoned if it is unoccupied for more than sixty (60) consecutive days ***unless prior approval of management has been received***. A period of ninety (90) days will be allowed for vacation, and one hundred and eighty (180) days for medical reasons.

A unit will be considered abandoned in the event management has evidence indicating the resident has permanently vacated the premises including, but not limited to,

- the removal by the resident of substantially all the resident's possessions and personal effects from the premises or
- the **resident's voluntary termination of utility service to the premises**. Management will provide written ten (10) day notice of Owner's intent to take possession of unit unless additional notice is required by State or local law.

SUBLEASING

The dwelling unit shall be the only residence of the residents on the Lease Agreement. The unit shall not be sublet and may not be used for any other purpose other than the private dwelling of the residents and family as specified in the Lease Agreement.

MOVE IN

Prior to Move-In:

- 1) The applicant and Management will inspect the unit and will **sign and date** the move-in inspection form.
- 2) All adult members of the household will sign the Lease and related documents.
- 3) The applicant will pay the security deposit (and, for communities with pet policies, etc., any other deposits called for under the Lease Agreement.)
- 4) The applicant will pay the rent for the first month or partial month of occupancy as set forth in the lease.

At the time of move-in, keys to the apartment and/or mailbox will be issued to the household.

If the household fails to move in on the agreed date, the application will be declined, and the unit will be offered to the next household on the Waiting List.

MOVE OUT

Residents must provide a written notice of intent to vacate no less than thirty (30) days prior to moving out in accordance with the Lease Agreement. Written notice may be provided on property managements notice to vacate form which includes a helpful Move Out guide for our residents or a written or typed signed statement. At move out, management will complete the move out inspection and the deposit accounting. A copy of the disposition listing charges against the deposit will be mailed to the address provided by the vacating household and a copy will be retained in the move out file.

The move-out inspection process can be conducted with or without the resident, although having the resident present can help to eliminate any future misunderstanding of charges. The Unit Inspection Report will be used to compare apartment conditions before and after the lease term along with the completion of an assessment of appropriate charges.

ANNUAL RECERTIFICATION

Annual recertifications shall be conducted in compliance with the following procedure:

- 1) Annually, at least 120 days prior to each resident's Lease Anniversary Date.
 - a. Each household will be notified in writing of the requirement to file and sign a complete recertification update form. This form shall provide accurate information regarding annual income, employment, and family composition to determine rent and apartment size.
 - b. Verifications shall be obtained in accordance with the procedure set forth in HUD Handbook 4350.3 and determinations shall be made accordingly [or through the PHA providing rental assistance](#).
 - c. In the event of failure, or refusal, of the resident to report the necessary information, management retains the right to terminate rental assistance on the last day prior to the AR effective date and/or terminate the Lease. If the resident is a person with disabilities, the owner must consider extenuating circumstances when this would be required as a matter of reasonable accommodation.

- 2) Recertification procedures are to begin at least one hundred twenty (120) days prior to the annual recertification date. Complete and accurate records shall be maintained to ensure each resident receives the recertification review within this time frame.
- 3) Upon completion of interviews and verifications, each resident shall be notified of the results of the recertification adjustments to the tenant paid rent and rental assistance if applicable, no less than thirty (30) days prior to the effective date, unless the household waives right to a 30 day notice due to failure to comply with the recertification procedure in a timely manner.

ANNUAL SEXUAL PREDATOR DATABASE SCREENING

Management will complete a Sexual Predator Database Search for all household members 18 and older and all live-in-aides at annual recertification. Sexual Predator database searches are available to the public at large and do not require a consent form.

Past criminal history of applicants and/or residents may be a basis for rejection or lease termination if information received from law enforcement authorities indicates that an applicant, resident, or household member may pose a present threat to the health, safety, or right to peaceful enjoyment by other residents, property management staff or persons residing in the immediate vicinity of the facility. Any household member who is subject to any state sex offender registration requirement or is subject to lifetime inclusion on any state sex offender registration will be evicted.

CHANGES TO THE RESIDENT SELECTION PLAN

Applicants on the waiting list will be notified when changes have been made to the Resident Selection Plan.

- Posting the revised Resident Selection Plan in the management office, and
- by written notice.

CHARGES OTHER THAN RENT

The owner may charge for facilities or services provided by the apartment community. The charge for specific services or use of facilities is explained in other Policy documents that may include, but not be limited to:

- i) Pet Policy-Pet Deposit ***if applicable.***
- ii) Rent Collection Policy.
- iii) Return Check Policy.
- iv) Damages – No more than the **actual cost** to repair or replace.

Many of these charges are incorporated into the Lease Agreement.

RSP Appendix A

Published LIHTC Income Limits for current year.

LIHTC limits are determined by the Placed In-service date, County and State where the property is located.

The Restoration House (TRH) Waiting List Policy

1. Overview

This document outlines the waiting list management policy for The Restoration House (TRH), a project-based voucher (PBV) site in partnership with Knoxville's Community Development Corporation (KCDC). The Restoration House is a 2 year self sufficiency program. Only those accepted into the Restoration House Program are eligible to apply to housing at the Restoration House.

2. Waiting List Management

2.1 Maintaining the Waiting List:

- Once a program applicant is approved for the program, they will be added to the housing waiting list.
- The list will contain applicant names, contact information, date of application, and preliminary eligibility status (if applicable).
- TRH will accept applications online unless an applicant requests an alternative option, in which case necessary accommodations will be made.

2.2 Opening and Closing the Waiting List:

TRH is responsible for opening and closing its waiting list.

Closing Applications:

The waiting list will be closed when there are no available units.

Reopening Applications:

When openings become available, TRH will reopen the waiting list. Information about the reopening will be communicated through TRH's official channels, including the website and social media. Public notice will be given by publication in a local newspaper of general circulation and by minority media.

3. Admission Preferences

The Restoration House is a 2 year self sufficiency program. Program acceptance is required to qualify for any housing opportunities. Admission preferences for TRH program are as follows:

- Single mothers aged 24 or older.
- At least 50% custody of at least one child.
- High school diploma or GED.
- Homeless or inadequately housed.
- Willing and able to begin full-time school or employment within two months.
- Motivated toward self-sufficiency, as demonstrated by engagement in planning, accountability, and life skills development.
- Emotionally and mentally stable enough to support family life.
- At least one year of sobriety outside of a recovery program.

- Committed to community and relationship building.
- Have a valid Driver's License

Disqualifications:

- Conviction for violent or sexual offenses.
- Other criminal history may be reviewed on a case-by-case basis.

5. Selection from the Waiting List

- Applicants will be selected from the waiting list based on the date/time of application and available units.
- When an applicant is screened and accepted into housing, TRH will refer the applicant to KCDC for final program eligibility determination.
- TRH may not offer a unit to the applicant until KCDC has confirmed eligibility.

6. Procedures for Removing Names from the Waiting List

Applicant names may be removed under the following conditions:

- Applicant is found ineligible.
- Applicant fails to respond to outreach efforts within 5 business days, unless a reasonable accommodation for a disability has been requested.
- Applicant voluntarily withdraws their application.

Notification Requirements:

- If an applicant is found ineligible, TRH must issue a written notice including:
 1. The reason for the decision
 2. The right to request an informal review within 2 business days
 3. Instructions for requesting the review

All removal decisions and communications will be documented and retained in accordance with HUD regulations.

7. Record-Keeping and Compliance

- TRH will maintain all applications (eligible and ineligible) with documentation of decisions and correspondence.
- Any future amendments will be submitted to KCDC for review and approval.



Village at Holston Place 2025 Wait List Plan

Waiting List Policy Overview

This policy outlines the waiting list requirements for The Village at Holston Place and provides guidance on establishing criteria for updating and maintaining the waiting list.

Purpose of the Waiting List

The waiting list determines the order in which housing offers are made to qualified applicants. Proper setup and maintenance are crucial for compliance with HomeSource East Tennessee's civil rights and program policies.

Tenant Selection and Assignment Plan (TSAP)

The TSAP ensures tenants are selected for occupancy according to HUD requirements and HomeSource East Tennessee's policies. It aligns with federal nondiscrimination and equal opportunity standards. Key aspects include:

- Criteria for offering units when multiple suitable ones are available.
 - Timeframes for applicants to consider unit offers.
 - Limits on the number of unit refusals without good cause before removal or repositioning on the list.
 - Definitions of "good cause" for declining unit offers.
 - Conditions for removing applicants from the waiting list.
 - Circumstances prioritizing resident transfers over applicant offers.
 - Assignment of accessible units to individuals needing such features, as per HUD Section 504.
 - Provision of reasonable accommodations for individuals with disabilities during the TSAP process.
-

Waiting List Administration

Public notices about waiting list openings must be clear, accessible, and compliant with HUD's fair housing standards. HomeSource East Tennessee will adopt inclusive measures for:

- Communicating notices to individuals with disabilities and those with limited English proficiency.
 - Allowing applications via multiple methods (in-person, phone, fax, email, online).
 - Ensuring broader access, such as extended hours for application pickup/drop-off.
 - Distributing applications across accessible locations.
 - Considering a 30-day application period to allow widespread participation.
 - Using a lottery system for list placement to ensure diversity.
-

Placing Applicants on the Waiting List

When a prospect contacts HomeSource East Tennessee, they will be informed about the current waiting list. The process includes:

1. Collecting applicant details:
 - Full name
 - Phone number
 - Email
 - Age category
 - Disability status
 - Desired bedroom size
 - Additional relevant information
 2. Informing applicants of their position on the list and estimated wait time.
-

Updating the Waiting List

To remain active, applicants must contact the office every 4–6 months to confirm or update their information. If no contact occurs within six months, staff will attempt to verify interest. Lack of response will result in removal from the list, but prospects may reapply at the bottom of the list.

Wait List Management

- The list will close when it reaches 200 individuals (estimated 2–3 years' wait) and reopen when it drops to 175.
 - Openings will be advertised on the HomeSource East Tennessee website and other platforms.
 - The list will be electronically maintained using the "Waitlist Plus" program.
-

PROGRAM POLICY & PROCEDURE

Helen Ross McNabb Center

Housing

SECTION: Screening and Access to Service

Page 1 of 1

SUBJECT: **Waiting Lists**

Effective Date: 01/31/02

Revision Date:

10/25/06, 11-20-06, 3/10/09,
10/1/09; 2/25/11, 11/12/13,
12/4/13, 5/30/14, 9/23/14,
12/1/14; 4/9/18; 5/27/22

Approved By: Sr. Director of Adult Outpatient MH and Recovery Services

POLICY: **Hamilton County housing sites and Dogwood Springs Senior Housing will maintain waiting lists for housing- differentiations based on eligibility criteria. Potential tenants are screened on a first-come, first-serve basis.**

PROCEDURE:

1. The housing sites located in Hamilton County will maintain 3 separate waiting lists for housing based on the differing eligibility criteria:
 - a. Independent Living- Hamilton
 - b. Priority Supportive Living Facility- Hamilton
 - c. Community Supportive Living Facility- Hamilton
2. Dogwood Springs will maintain 1 waiting list for housing.
3. As requests for housing are received, the potential tenant's name and contact information will be placed on the appropriate waiting list. Potential tenants will also be provided with alternative housing resources at this time.
4. As vacancies become available, the Property Manager will begin contacting potential tenants by going down the list in the order that the housing request was received.
5. Upon making contact with a potential tenant on the waiting list, the Property Manager will begin the application process.
6. If a potential tenant is deemed ineligible for housing during the application process or cannot be contacted/located after repeated attempts, the Property Manager will attempt to make contact with the next person on the list.
7. The Property Manager will note the disposition of each case on the waiting list and maintain in his/her files for future reference.

PROGRAM POLICY & PROCEDURE

Helen Ross McNabb Center

Housing

SECTION: Screening and Access to Services

Page 1 of 1

SUBJECT: **Knox County Coordinated Entry**

Effective Date: 5/1/18

Revision Date: 3/14/22

Approved By: Sr. Director of Adult Outpatient Mental Health and Recovery Services

POLICY: All Knox County housing sites, with the exception of Dogwood Springs, participate in the Knox County Coordinated Entry System (CES), referred to as the Coordinated Housing Assessment Match Plan (CHAMP). CHAMP is managed by the City of Knoxville and ensures that all housing placements meet the requirements of HUD's 24 CFR Part 578 and the Homeless Emergency Assistance and Rapid Transition to Housing Act. The intent of the CHAMP process is to ensure that those individuals with the highest vulnerability and longest term of homelessness are prioritized for permanent supportive housing.

PROCEDURE:

1. As a participant of the CHAMP process, HRMC will route all applicants for housing to the appropriate Designated Access Point (DAP).
2. The DAP will be responsible for assessing the applicant's vulnerability through the use of the VI-SPDAT and will also conduct a housing barrier assessment.
3. The results of these assessments will be placed in Knox County's HMIS system, and the applicant will be placed on the county-wide housing waiting list according to Knox County's Priority Guidelines (HRMC will maintain no separate waiting lists for Knox County housing sites).
4. As vacancies occur in HRMC housing, HRMC will review the county-wide housing waiting list and begin the application process with the highest priority family who meets the other eligibility requirements outlined in this Tenant Selection Plan

GLOSSARY

1937 Housing Act: The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]

Absorption: In portability, the point at which a receiving housing agency stops billing the initial housing agency for assistance on behalf of a porting family.

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based.

Administrative Fee: Fee paid by HUD to KCDC for administration of the program.

Administrative Plan: The plan that describes housing agency policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head. An adult must have the legal capacity to enter a lease under state and local law.

Affiliated Individual with respect to an individual means:

1. A spouse, parent, brother, sister or child of that individual, or a person to whom that individual stands in place of a parent or guardian (for example, the person is a person in the custody, care or control of that individual, or
2. Any individual, tenant, or lawful occupant living in the household of that individual.

Allowances: Amount deducted from the household's annual income in determining annual income (the income amount used in the rent calculation). Allowances are given for elderly or disabled families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowances can be given at the discretion of KCDC.

Amortization Payment: In a manufactured home space rental or the Section 8 Home Ownership Program: The monthly debt service payment by the family to amortize the purchase price of the home.

Annual Contributions Contract (ACC): The written contract between HUD and a housing agency under which HUD agrees to provide funding for a program under the 1937 Act, and KCDC agrees to comply with HUD requirements for the program.

Annual Income: All amounts, monetary or not, that:

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
3. Are not specifically excluded from Annual Income
4. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access

Annualization of Income: If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or KCDC believes that past income is the best available indicator of expected future income, KCDC may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: See net family assets

Asset Income: income received from assets held by household members. If assets total more than \$5,000, income from the assets is “imputed” and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family to lease a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and KCDC.

Certificate: A document issued by a housing agency to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing agency approval of a unit selected by the family. The certificate also states the obligations of the family under the program. The Certificate Program ended August 12, 1999.

Certification: The examination of a household’s income, expenses, and family composition to determine the household’s eligibility for program participation and to calculate the household’s rent for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Child Care Expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during period for which annual income is computed, but only where such care is necessary to enable family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen: A citizen or national of the United States.

Choice Mobility: Executed RAD/PBRA contracts allow residents to move with tenant-based assistance after the later of 24 months from the execution of the HAP contract or 24 months after the move-in date.

Consent Form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

Contiguous MSA: In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial housing agency is located.

Continuously Assisted: An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Housing Choice Voucher Program.

Cooperative: Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

Debts Owed to PHA’s and Termination Report: National Repository of families that owe debt to any PHA nationwide; and/or left a PHA program under negative circumstances.

Decent, Safe, and Sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards (HQS).

Department: The Department of Housing and Urban Development.

Dependent: A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Disability Assistance Expenses: Reasonable expenses that are anticipated, during the period which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable

a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled Family: A family whose head, co-head, or spouse is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled Person: See “person with disabilities”.

Displaced Family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed or otherwise formally recognized pursuant to federal disaster relief laws.

Displaced Person: A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Drug Related Criminal Activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug Trafficking: The illegal manufacture, sale, or distribution of a controlled substance; or the possession with intent to manufacture, sell, or distribute a controlled substance.

Economic Self-Sufficiency Program: Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program), or other work activities.

Elderly Family: A family whose head, co-head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person: A person who is at least 62 years of age.

Enterprise Income Verification (EIV) System: A HUD-provided Internet-based wage and benefit tool that allows KCDC to validate the accuracy of tenant-reported income from an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals and a benefit tool that matches Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data from PIC and TRACS databases.

Employee Code of Conduct: Ethical and other conduct standards and responsibilities KCDC employees are to abide by to assure the proper performance of KCDC business and maintenance of confidence by the public in KCDC.

Evidence of Citizenship or Eligible Status: The documents that must be submitted to evidence citizenship or eligible immigration status.

Exception Rent: An amount that exceeds the published fair market rent.

Extremely Low-Income Families: Family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD’s findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. HUD has set the one-person 30% of median income limit at least as high as the state SSI benefit level.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair Market Rent (FMR): The rent, including the cost of utilities (except telephone and cable), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

Family includes but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

1. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall be considered in determining family composition and family size);
2. An elderly family;
3. A near-elderly family;
4. A disabled family;
5. A displaced family;
6. A remaining member of a tenant family providing the meet all other criteria; and
7. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family Members: Includes all household members except live-in aides, foster children, and foster adults. All family members permanently reside in the unit, though may be temporarily absent. All family members are listed on the HUD-50058 form.

Family Self-Sufficiency Program (FSS Program): The program established by a housing agency to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family Rent to Owner: The portion of rent to owner paid by the family.

Family Share: The portion of rent and utilities paid by the family.

Family Unit Size: The appropriate number of bedrooms for a family is determined by KCDC under KCDC's subsidy standards.

50058 Form: The HUD form that housing authorities are required to complete for each assisted household in Section 8 to record information used in the certification and recertification process, and, at the option of KCDC, for interim reexaminations.

FMR/Exception Rent Limit: The Section 8 existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Housing Choice Voucher Program, KCDC may adopt a payment standard up to the FMR/Exception Rent Limit.

Full-Time Student: A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

Gross Rent: The sum of the rent to the owner plus utilities.

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

HOTMA: The Housing Opportunity Through Modernization Act of 2016 (HOTMA) (Public Law 114–201) was enacted on July 29, 2016. Title I of HOTMA contains 14 sections that affect the public housing and Section 8 rental assistance programs.

Household Members: Includes all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing agency, which includes (1) a payment to the owner for rent under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing Quality Standards (HQS): The HUD minimum quality standards for housing assisted under the Section 8 Housing Choice Voucher Program.

Housing Voucher: A document issued by a housing agency to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing agency approval of a unit selected by the family. The voucher also states the obligation of the family under the program.

Housing Voucher Holder: A family that has an unexpired housing voucher.

Imputed Welfare Income: The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Income Category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental Income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Initial Housing Agency: In portability, both: (1) a housing agency that originally selected a family that later decides to move out of the jurisdiction of the selecting housing agency; and (2) a housing agency that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing agency.

Initial Payment Standard: The payment standard at the beginning of the HAP contract term.

Initial Rent to Owner: The rent to owner at the beginning of the initial lease term.

Interim (examination): A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when a change in a household's circumstances warrants such a reexamination.

Jurisdiction: The area in which KCDC has authority under state and local law to administer the program.

Lease: A written agreement between an owner and tenant for leasing a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between owner and KCDC.

Legal Capacity: The participant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Live-in Aide: A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

1. Is determined to be essential to the care and well-being of the persons;
2. Is not obligated for the support of the person; and
3. Would not be living in the unit except to provide the necessary supportive services.

A live-in aide is not entitled to the HCV as the remaining member of the tenant family.

After submitting a completed Reasonable Accommodation Request, staff will verify information with a medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability, screen and add the live-in aide to the lease, and will disallow the income of the live-in aide if the medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability determines a live-in aide is needed full time.

If the medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability determines the tenant needs a part-time live-in aide, 982.420 (7) implies live in aides must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards established by the PHA.

When a reasonable accommodation request is granted for a live in aide or for an extra bedroom for medical equipment, the independent contract inspection company will validate at each inspection if the additional bedroom is still being used for the approved accommodation.

Low-income Families: Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937 Act]

Manufactured Home: A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufactured Home Space: In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Medical Expenses: Medical expenses, including medical insurance premiums and, when applicable, discounts received under a Medicare-approved discount drug card, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

Monthly Adjusted Income: One twelfth of adjusted income (see definition for adjusted income).

Monthly Income: One twelfth of annual income.

Moving to Work: The Moving to Work (MTW) demonstration permits participating state and local housing agencies to obtain broad waivers of federal rules governing the public housing and Housing Choice Voucher programs so they can test alternative policies related to work and other areas.

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly Family: A family whose head, co-head, spouse, or sole member, is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net Family Assets:

1. Net cash value after deducting reasonable costs that would be incurred in disposal of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD home ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
2. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
3. In determining net family assets, housing agencies or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received thereof. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen: A person who is neither a citizen nor national of the United States.

Notice of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

NSPIRE: NSPIRE inspections are conducted mainly by contract inspectors and public housing agencies every one to three years, depending on a property's previous inspection score. NSPIRE inspections focus on deficiencies deemed to be the most important indicators of housing quality.

Occupancy Standards: The standards that KCDC establishes for determining the appropriate number of bedrooms, needed to house families of different sizes or composition.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (participant family): A family that has been admitted to KCDC's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by KCDC for the family (first day of initial lease).

Payment Standard: in a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, KCDC sets a payment standard in the range from 90% to 110% of the current FMR.

Person with Disabilities: A person who:

1. Has a disability as defined in Section 223 of the Social Security Act,

Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

2. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:

- a. is expected to be of long, continued, and indefinite duration,
- b. substantially impedes his or her ability to live independently, and
- c. is of such a nature that such ability could be improved by more suitable housing conditions, or

3. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act.

Severe chronic disability that:

- a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- b. Is manifested before the person attains age 22;
- c. Is likely to continue indefinitely;
- d. Results in substantial functional limitation in three or more of the following areas of major life activity: (1) self-care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
- e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

4. An individual who has a 51% or higher disability with a VA pension qualifies as a disabled person.

Portability: Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial housing agency.

Premises: The building or complex in which the dwelling unit is located, including common areas and grounds.

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

Proration of Assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Public Housing Agency: A state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

Reasonable Rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Agency: In portability, a housing agency that receives a family selected for participation in the tenant-based program of another housing agency. The receiving housing agency issues a voucher and provides program assistance to the family.

Recertification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Rent to Owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

SAFMR: Small Area Fair Market Rents. SAFMR's may be adopted as exception payment standards for specified zip code areas in Knoxville/Knox County if deemed beneficial for the success of KCDC participants locating affordable housing.

Set-up Charges: In a manufactured home space rental, charges payable by the family for assembly, skirting, and anchoring the manufactured home.

Single Person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Special Admission: Admission of an applicant that is not on KCDC's waiting list, or admission without considering the applicant's waiting list position.

Special Housing Types: Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperative (including mutual housing) home ownership option (if applicable), and manufactured homes (including manufactured home space rentals).

State Wage Information Collection Agency (SWICA): The state agency receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Subsidy Standards: Standards established by a housing agency to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension: Stopping the clock on the term of a family's voucher, for such period as determined by KCDC, from the time when the family submits a request for housing agency approval to lease a unit, until the time when KCDC approves or denies the request (also referred to as tolling).

Tenant: The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

THDA: Tennessee Housing Development Agency

Third-party (verification): Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

Tolling: see suspension.

APPENDIX

TYPES OF VERIFICATION

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third-party verification, KCDC will send a request form signed by the applicant/participant via first class mail.

VERIFICATION REQUIREMENTS FOR INDIVIDUAL ITEMS		
Item to be Verified	Third-Party Verification	Hand-Carried Verification
General Eligibility Items		
Social Security Number	Letter from Social Security Administration, electronic reports	Original Social Security card
Citizenship	Self-Declaration form signed	Signed certification, voter's registration card, birth certificate, etc.
Eligibility immigration status	INS SAVE confirmation number	INS card
Disability	Letter from medical professional, SSI, etc.	Proof of SSI or Social Security disability payments
Part-time/Full-time student status (if over 18)	Letter from school	High School or College documentation evidencing enrollment
Need for a live-in aide	Letter from doctor or other medical professional knowledgeable of condition	N/A
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, caregivers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Value of and Income from Assets		
Savings, checking accounts	Letter from institution or self certification	Passbook, most current statements
Certificates of Deposit (CD), bonds, etc.	Letter from institution	Tax return, information brochure from institution, the CD, the bond
VERIFICATION REQUIREMENTS FOR INDIVIDUAL ITEMS		
Item to be Verified	Third-Party Verification	Hand-Carried Verification
Stocks	Letter from broker or holding company	Stock or most current statement,
Real property	Letter from tax office, assessment, etc.	Property tax statement assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc.	Receipt for purchase, other evidence of worth
Cash value of life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	Self-certification form	Original receipt and receipt at disposition, other evidence of worth

Income		
Earned income	Employer Report/electronic reports	Multiple pay stubs when tenant disagrees with UIV
Self-employed	Self certification calendar	Tax return from prior year, books of accounts
Regular gifts and contributions	Notarized statement from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, notarized statement from source, letter from Child Support Office/ Human Services office, electronic report	Child support record of deposits , divorce decree
Periodic payments (i.e., social security, welfare, pensions, workers compensation, unemployment)	Letter or electronic reports (computer matching) from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating whether: <ul style="list-style-type: none"> • Enrolled • Training is HUD approved • State or local program • It is employment training • Payments are for out- of-pocket expenses incurred to participate in a program 	N/A

Knoxville's Community Development Corporation

Housing Choice Voucher Program

Home Ownership Program

Administrative Plan

July 1, 2026

ADMINISTRATIVE PLAN

* * *

SECTION 8 HOME OWNERSHIP PROGRAM

1. **GENERAL PROVISIONS.**

The Section 8 Home Ownership Program of Knoxville's Community Development Corporation (KCDC) permits eligible participants in the Section 8 Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. The home ownership option is limited to five percent (5%) of the total Section 8 voucher program administered by KCDC in any fiscal year, provided that disabled families shall not be subject to the 5% limit.

Eligible applicants for the Section 8 Home Ownership Program must have completed an initial Section 8 lease term, may not owe KCDC or any other Housing Agency an outstanding debt, and must meet the eligibility criteria set forth herein.

Section 8 home ownership assistance may be used to purchase the following type of homes within Knox County: existing or under construction single-family home, condominium, cooperatives, manufactured homes, or units not yet under construction at the time the family contracts to purchase the home and contingent upon approval of the environmental review report completed by the responsible entity or HUD prior to commencement of construction. KCDC also will permit portability of Section 8 home ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 home ownership applicant qualifies or authorizes KCDC to administer the home ownership assistance in their jurisdiction if funding is available. KCDC will also permit incoming portability provided the Section 8 Housing Choice Voucher program is not at capacity and if funding is available. If it is at capacity, the family porting in would be placed on a waiting list. If no funding is available, the initial housing agency must allow KCDC to bill the initial housing agency.

KCDC will maintain a list of those participants who call the Section 8 Home Ownership Program office and who are interested in and appear eligible for the program. Once an applicant has been screened and determined qualified for the program, the trainer/counselor will provide them with the time, date, and place of mandatory Financial Fitness Classes and have them complete an intake form for credit counseling offered by a credit counseling agency.

Once the participant has completed the Financial Fitness Classes and credit counseling, the participant will be considered either short term or long term as determined by their credit scores. Participants will work toward improving credit scores and establishing a savings account to acquire the 1% contribution the home buyer must use toward the purchase of a home.

2. FAMILY ELIGIBILITY REQUIREMENTS.

Participation in the Section 8 Home Ownership Program is voluntary. Each Section 8 home ownership participant must meet the general requirements for admission to the Section 8 Housing Choice Voucher Program as set forth in KCDC's Administrative Plan. Such Section 8 family also must be "eligible" to participate in the Section 8 Home Ownership Program. The additional eligibility requirements for participation in KCDC's Section 8 Home Ownership Program include that the family must: (A) be a first-time homeowner or have a member who is a person with disabilities; (B) with the exception of elderly and disabled households, meet a minimum income requirement without counting income from "welfare assistance" sources; (C) with the exception of elderly and disabled households, meet the requisite employment criteria; (D) have completed an initial lease term in the Section 8 Housing Choice Voucher Program; (Exceptions are displaced and involuntary displaced families. Exceptions for Project Based Voucher and Choice Mobility Voucher holders see section D below) (E) have fully repaid any outstanding debt owed to KCDC or any other Housing Agency; (F) not defaulted on a mortgage securing debt to purchase a home under the home ownership option; and (G) not have any member who has a present ownership interest in a residence at the commencement of home ownership assistance.

A. First-Time Homeowner.

Each Section 8 family must be a first-time homeowner except for a disabled person requiring home ownership assistance as a reasonable accommodation. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 home ownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest." A member of a cooperative (as defined in § 982.4) also qualifies as a "first time homeowner."

B. Minimum Income Requirement.

(1) Amount of Income.

At the time the family begins receiving home ownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income of an amount equal to 2000 hours of annual full-time work

at the federal minimum wage. The full time employment requirement is mandatory at the initial purchase and, thereafter, in order for the family to be eligible for continued mortgage assistance.

In the event of loss of employment that results in employment income less than the amount equal to 2000 hours of annual full-time work, the household will be offered 60 days to secure new employment earnings in the amount equal to 2000 hours at the federal minimum wage. If at least one household member does not secure new employment income of at least 2000 hours annually at the federal minimum wage within the 60 day time period, the homeowner will be sent a notice of voucher cancellation.

An exception to the 60 day timeframe for securing new employment may be considered when a household member loses his/her job due to no fault of their own or long-term medical incapacitation.

The minimum income for a disabled person can be equal to the monthly Federal Supplemental Security Income benefit multiplied by 12 providing the individual is living alone or paying his or her share of food and housing costs.

(2) Exclusion of Welfare Assistance Income.

With the exception of elderly and disabled families, KCDC will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families ("TANF"); Supplemental Security Income ("SSI"); food stamps; general assistance; or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the home ownership program. It does not affect the determination of income-eligibility for admission to the Section 8 Housing Choice Voucher Program, calculation of the family's total tenant payment, or calculation of the amount of home ownership assistance payments.

C. Employment History.

With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of home ownership assistance is employed with income equal to 2000 hours annually at the federal minimum wage and has been so continuously employed for one year prior to execution of the sales agreement. KCDC will examine the cause of interruption(s) in employment and the success of self-employment during the previous 12 months and determine on a case-by-case basis whether such interruptions are justified and self-employment is a reliable source of

income. In order to reasonably accommodate a family's participation in the program, KCDC will exempt families that include a person with disabilities and elderly from this requirement.

D. Completion of Initial Lease Term.

Applicants for and new participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 Home Ownership Program until completion of an initial Section 8 lease term and the participant's first annual recertification in the Section 8 Housing Choice Voucher Program. Exception to this rule would be families that fell under the Displaced or Involuntarily Displaced preference on the waiting list. These families would be required to have completion of pre-purchase education, mortgage loan approval, and under contract to purchase property before the voucher expiration of 120 days. Tolling: Upon submittal of an accepted purchase contract, KCDC will suspend the term of the voucher. The term will be in suspension until the date KCDC provides notice that the contract and loan terms have been approved or denied. Additional extensions may be granted up to 60 days. This is called a tolling extension. Total voucher time may not exceed 120 calendar days

Section 8 participants that have completed an initial lease term in another jurisdiction may be able to participate in the Section 8 Home Ownership Program.

Section 8 Project Based Voucher participants may be eligible to participate in the Section 8 Homeownership Program after residing in an assisted Project Based Voucher program unit for two years. After the required two years in the Project Based Voucher program a participant is eligible to apply for the Section 8 Housing Choice Voucher and once approved, they may utilize their voucher to purchase a home if all eligibility requirements are met.

Section 8 Choice Mobility participants may be eligible to participate in the Section 8 Homeownership Program after their second year in the Rental Assistance Demonstration Program. After the second year in the Rental Assistance Demonstration Program, a participant is eligible to apply for the Section 8 Choice Mobility Voucher and once approved, they may utilize their voucher to purchase a home if all eligibility requirements are met.

E. Repayment of Any Housing Agency Debts.

Participants in the Section 8 Housing Choice Voucher Program shall be ineligible for participation in the Section 8 Home Ownership Program in the event any debt or portion of a debt remains owed to KCDC or any other Housing Agency. Nothing in this provision will preclude Section 8 participants that have fully repaid such debt(s) from participating in the Section 8 Home Ownership Program.

F. Additional Eligibility Factors.

(1) Elderly and Disabled Households.

Elderly and disabled families are exempt from the employment requirements set forth in Section 2. C.above. In the case of an elderly or disabled family, KCDC will consider income from all sources, including welfare assistance in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 Home Ownership Program.

(2) Preference for Participation in FSS Program.

Participants in KCDC's Section 8 Family Self-Sufficiency program shall have a preference for participation in the home ownership program if there is a waiting list.

Families moving toward Homeownership that are FSS participants and are no longer required to exit the FSS program once the voucher is being used for homeownership payments (once the home has been purchased) through the Housing Choice Voucher Homeownership program.

(3) Prior Mortgage Defaults.

If a head of household, spouse, or other adult household member who execute a contract of sale, mortgage and loan documents has previously defaulted on a mortgage obtained through the Section 8 Home Ownership Program, the family will be ineligible to participate in the home ownership program.

3. FAMILY PARTICIPATION REQUIREMENTS.

Once a family is determined to be eligible to participate in the program, it must comply with the following additional requirements:

- (1) Complete a HUD certified home ownership counseling program approved by KCDC and open to any person regardless of race, color, national origin, religion, sex, familial status, creed, and disability/handicap prior to commencement of home ownership assistance;
- (2) Within a specified time as determined by the lender, locate a home the family proposes to purchase;
- (3) Submit a sales agreement containing specific components to KCDC for approval;
- (4) Allow KCDC or an independent KCDC contracted inspection agency to inspect the proposed home ownership dwelling to assure that the dwelling meets appropriate housing quality standards;
- (5) Obtain a non-KCDC independent home inspection covering major building systems;

- (6) Obtain KCDC approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements); and
- (7) Agree to the terms of KCDC's mortgage payment procedure by reviewing and signing the KCDC escrow agreement.
- (8) Enter into a written agreement with KCDC to comply with all of its obligations under the Section 8 program.

A. Home Ownership Counseling Program.

A family's participation in the home ownership program is conditioned on the family attending and successfully completing a minimum of eight hours of home ownership and housing counseling provided or approved by KCDC prior to commencement of home ownership assistance. If a family sells one home and purchases another one in the same jurisdiction, KCDC may require home ownership counseling. The counseling agency providing the counseling program shall either be approved by HUD or the program shall be consistent with the home ownership counseling provided under HUD's Housing Counseling program. KCDC may require any or all participating family members to participate in a KCDC-approved home ownership counseling program on a continuing basis as a condition of continued assistance in the home ownership program.

The pre-purchase home ownership and counseling program will cover home maintenance; budgeting and money management; credit counseling; fair housing; negotiating purchase price; information about the Real Estate Settlement Procedures Act (RESPA), truth-in-lending laws and avoiding predatory lenders; securing mortgage financing; finding a home; requirement of homeowner's insurance; and home maintenance.

B. Locating and Purchasing a Home.

(1) Locating a Home.

When KCDC determines the family is mortgage ready, a family shall have sixty (60) days to locate a home to purchase in an area of the participant's choice. A home shall be considered located if the family submits a proposed sales agreement with the requisite components to KCDC. For good cause, KCDC may extend a Section 8 family's time to locate the home for two additional thirty-(30) day increments. During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue pursuant to the Administrative Plan. If a Section 8 participant family is unable to locate a home within the time approved by KCDC, their Section 8 rental assistance through the Section 8 Housing Choice Voucher Program shall continue.

(2) Type of Home.

A family approved for Section 8 home ownership assistance may purchase

the following type of homes within Knox County:

- (a) Units not yet under construction at the time the family contracts to purchase the home,
- (b) A home that is existing or under construction,
- (c) A single-family home,
- (d) A condominium,
- (e) A cooperative, or
- (f) A manufactured home to be situated on a privately owned lot or on a site that can be leased for a period of at least forty years and the home must be on a permanent foundation.

Units not yet under construction at the time the family contracts to purchase are contingent upon approval of an environmental review report completed by the responsible entity required under 24 CFR part 58 or by HUD requirements under 24 CFR part 50 prior to the commencement of construction. KCDC will consider a unit "under construction" if the footers have been poured at the time the family signs the contract to purchase.

The family also may purchase a home in a jurisdiction other than Knox County, provided the Housing Agency in the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 home ownership applicant qualifies and administers the home ownership assistance in their jurisdiction. A family's participation in the Section 8 Home Ownership Program will be subject to the Section 8 policies of the receiving jurisdiction.

(3) Bedroom Size.

KCDC may increase the payment standard for homeowners up to one bedroom size if a participant chooses to purchase a unit in an area that does not have the voucher size the participant holds. For example, if a participant has a two-bedroom voucher and wants to buy in an area that offers nothing less than three-bedroom units, KCDC may increase the voucher to the higher bedroom size.

(4) Purchasing a Home.

Once a home is located and the family signs a sales agreement approved by KCDC, the family shall close the mortgage as agreed in the sales contract.

(5) Failure to Complete Purchase.

If a Section 8 participant is unable to purchase the home within the maximum time permitted by KCDC, KCDC shall continue the family's participation in the Section 8 Housing Choice Voucher Program. The family may not re-apply for the Section 8 Home Ownership Program until they have completed an

additional year of participation in the Section 8 Housing Choice Voucher Program following the initial determination of their eligibility for the home ownership option.

(6) Lease-Purchase

Families may enter into lease-purchase agreements while receiving Section 8 rental assistance. All requirements of the Housing Choice Voucher Program apply to lease-purchase agreements, except that families are permitted to pay an extra amount to the owner for purchase-related expenses. This is known as a "home ownership premium". Any "home ownership premium," defined as an increment of value attributable to the value of the lease- purchase right or agreement, otherwise known as the down payment, is excluded from KCDC's rent reasonableness determination and subsidy calculation and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option to purchase through the Section 8 Housing Choice Voucher Homeownership program, they must notify the Home Ownership Trainer/Counselor at KCDC and apply for the home ownership assistance option. If determined eligible for home ownership assistance, the family may be admitted to the home ownership program and must meet all the requirements of these policies.

(7) Sell/Re-purchase

While participating in the Section 8 Home Ownership Program, after the first year, families may not move more often than one time per year. A participant may purchase another home providing no default exists, but the first home must be sold and the loan closed and the second home must be purchased and the loan closed before housing assistance payments can be made on the second home. KCDC will not permit cash back at closing on a repurchase when the Homeowner is purchasing another home through the KCDC Section 8 Homeownership Program.

C. Sales Agreement.

The family must provide KCDC the offer to purchase or a sales agreement including a contingency that KCDC approve the sales contract. The sales agreement must provide for a Housing Quality Standards inspection by KCDC and the independent home inspection referred to in Section 3(D) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to KCDC. The contract also must provide that the purchaser is not obligated to pay for any necessary repairs without approval by KCDC. The sales agreement must provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by KCDC pursuant to Section 3(E). The sales agreement must also contain a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

D. Independent Initial Inspection Conducted.

To assure the home complies with the housing quality standards of the Section 8 Home Ownership Program, home ownership assistance payments may not commence until KCDC or an independent KCDC contracted inspection agency first inspects the home. KCDC or an independent KCDC contracted inspection agency reserves the right to inspect the home during the time a homeowner is receiving housing assistance payments. A professional selected by the family also must complete an independent home inspection of existing homes covering major building systems. The independent home inspector must be a member of the American Society of Home Inspectors (ASHI) or a State of Tennessee licensed contractor and may not be a KCDC employee or contractor or other person under the control of KCDC. KCDC will not pay for the independent home inspection. A copy of the independent home inspection report must be provided to KCDC. KCDC may disapprove of the unit due to information contained in the report or for failure to meet federal housing quality standards.

E. Financing Requirements.

The purchaser must pay a minimum down payment of 3% of the sales price if required by the lender, with at least 1% to be paid from the family's personal resources. The proposed financing terms must be submitted to and approved by KCDC prior to close of the loan. KCDC shall determine the affordability of the family's proposed financing. In making such determination, KCDC may take into account other family expenses, including but not limited to childcare, unreimbursed medical expenses, education and training expenses, etc. Certain types of financing, including but not limited to balloon payment mortgages and variable rate mortgages, are prohibited and will not be approved by KCDC. If a mortgage is not FHA-insured, KCDC will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/FHA, Ginnie Mae, Fannie Mae, Freddie Mac, Tennessee Housing Development Agency (THDA), the Federal Home Loan Bank, or other private lending institution.

F. Compliance with Family Obligations.

A family must agree, in writing, to comply with all family obligations under the Section 8 Housing Choice Voucher Program and KCDC's home ownership policies. These obligations include (1) attending ongoing home ownership counseling, as specified by KCDC; (2) complying with the mortgage terms; (3) notifying KCDC if family decides to sell or transfer the home while receiving home ownership assistance payments, (4) not

refinancing or adding debt secured by the home without prior approval by KCDC; (5) not obtaining a present ownership interest in another residence while receiving home ownership assistance; (6) supplying all required information to KCDC, including but not limited to annual verification of household income, notice of change in home ownership expenses, notice of move-out, and notice of mortgage default; and (7) having an automatic draft in place from homeowner's checking account to mortgage lender's HAP account to pay monthly mortgage payment. KCDC's Home Ownership Family Obligation policies are set forth in Appendix A.

G. Compliance Lien

Upon the purchase of a home, the family must execute documentation as required by HUD and KCDC. Moving to another home in the same PHA jurisdiction, as well as buying another home in another PHA jurisdiction, is permitted with continued use of home ownership assistance.

4. **AMOUNT OF ASSISTANCE.**

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly home ownership expense; and the family's household income. KCDC will pay the lower of either the payment standard minus the tenant share or the family's monthly home ownership expenses minus the tenant share. The Section 8 family will pay the difference.

A. Determining the Payment Standard.

The voucher payment standard is the fixed amount that HUD annually establishes as the "fair market" rent for a unit of a particular size located within the KCDC jurisdiction. In the home ownership program, the initial payment standard will be the lower of either (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. The payment standard for subsequent years will be based on the higher of: (1) the payment standard in effect at commencement of the home ownership assistance; or (2) the payment standard in effect at the most recent regular reexamination of the family's income and size. The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. KCDC will request HUD approval of a higher payment standard, up to 120% of the published Fair Market Rent limit, or increase the voucher by one bedroom size where warranted as a reasonable accommodation for a family that includes a person with disabilities. If the area where the family desires to purchase dictates a larger bedroom size than the family is eligible to receive, KCDC may increase the payment standard by one bedroom size.

B. Determining the Monthly Home Ownership Expense.

Monthly home ownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowners insurance; maintenance expenses per KCDC allowance; costs of major repairs and replacements per KCDC allowance (replacement reserves); utility allowance per KCDC's schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any. Home ownership expenses for a cooperative member may only include KCDC-approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home; principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt; homeowners insurance; the

allowances for maintenance expenses, major repairs and replacements and utilities; and principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

C. Determining the Tenant Share

The Tenant Share of rent is that portion of the home ownership expense that the family must pay. It is generally 30% percent of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance), will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

With the final rule issued by HUD on September 12, 2000 there is a provision regarding the value of the home purchased under the Housing Choice Voucher homeownership option and how the home value is treated for the purpose of determining the family's income. The rule exempts the home purchased with the voucher assistance from being counted as an asset for the first 10 years after the closing date. This exemption terminates after a family's 10th year of participation in the program. The value of the home will be included in the "net family assets" starting in the eleventh year following the purchase of the home.

D. Home Ownership Assistance Options

KCDC may offer two types of home ownership assistance. The family may choose to receive monthly home ownership assistance payments described in the previous pages of this administrative plan or, when HUD announces in the Federal Register that funds are available, receive a single down payment assistance grant. The grant may not exceed twelve times the difference between the payment standard and the total tenant payment. The grant will be paid in one lump sum to the lender at closing. At that time, the family would relinquish the Section 8 voucher. A family can revert to renting after 18 months of receiving the lump sum payment.

The down payment assistance grant must be applied to the down payment and/or closing cost. Reasonable and customary closing costs are estimated at 4-5% of the total of all the loan amounts (first, second, mortgages, etc.) and include but are not limited to loan origination fee, appraisal fee, credit report, tax service fee, mortgage insurance (MPI/PMI), home inspection fee, title insurance, and flood zone determination.

If a family member was an adult when the family used one form of home ownership assistance, that person cannot use the other form at any PHA. A PHA may not provide home ownership assistance if any member was an adult member of a family at the time such family received assistance under the home ownership option and defaulted on the mortgage securing purchase of the home.

E. Payment to Lender

KCDC will provide the lender with notice of the amount of the homeownership assistance payment prior to close of the loan and will pay KCDC's contribution toward

the family's home ownership expense directly to the lender. KCDC reserves the right to pay the homeownership assistance payment to the homeowner if/when the homeownership assistance payment is less than \$100. It will then become the homeowner's responsibility to make the full mortgage payment to the lender.

If the home ownership assistance payment is more than the mortgage payment, KCDC will pay the mortgage payment to the lender and the balance of the home ownership assistance payment will be paid to the homeowner.

F. Recapture

KCDC will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain benefit.

5. **TERMINATION OF SECTION 8 HOME OWNERSHIP ASSISTANCE.**

A. Grounds for Termination of Home Ownership Assistance.

(1) Failure to Comply with Family Obligations under the Section 8 Program or KCDC's Home Ownership Policies.

A family's home ownership assistance may be terminated if the family fails to comply with its obligations under the Section 8 Home Ownership Program, KCDC home ownership policies, or if the family defaults on the mortgage. The family must attend and complete ongoing home ownership and housing counseling classes when required by KCDC. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide KCDC:

- (a) Written notice of any sale or transfer of any interest in the home;
- (b) Any plan to vacate the home prior to the move;
- (c) The family's household income and homeownership expenses on an annual basis;
- (d) Any notice of mortgage default received by the family; and
- (e) Failure to comply with the KCDC escrow agreement for monthly mortgage payments
- (f) Any other notices which may be required pursuant to KCDC home ownership policies.

Except as otherwise provided in this Section, the family must notify KCDC if family decides to sell or transfer the home while receiving home ownership assistance payments.

(2) Occupancy of Home.

Home ownership assistance will only be provided while the family resides in the home. If the family moves out of the home, KCDC will not continue home ownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse KCDC for home ownership assistance paid for the month the family moves out.

(3) Changes in Income Eligibility.

A family's home ownership assistance may be changed in the month following annual recertification of the household income, but participation in the Section 8 Home Ownership Program shall continue until such time as the assistance payment amounts to \$0 for a period of six (6) consecutive months.

(4) Maximum Term of Home Ownership Assistance.

Notwithstanding the provisions of Section 5(A), subparagraphs 1 through 3, except for disabled and elderly families, a family may receive Section 8 home ownership assistance for not longer than

ten (10) years from the date of close of the loan unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of home ownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of home ownership assistance or at any time during the provision of home ownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as a disabled or elderly family, the appropriate maximum term becomes applicable from the date home ownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of home ownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that home ownership payments are made or is a spouse of any member of the household who has an ownership interest. The maximum term is cumulative. If a participant sells one home and buys another, the accumulated time on the first home carries forth to the second.

B. Procedure for Termination of Home Ownership Assistance.

A participant in the Section 8 Home Ownership Program shall be entitled to the same termination notice and informal hearing procedures as set forth in KCDC's Administrative Plan for the Section 8 Housing Choice Voucher Program.

6. CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM.

A. Default on FHA and Non-FHA Insured Mortgage.

If the family defaults on a mortgage and any other secured debt that was incurred to purchase the home, they will not be issued a rental assistance voucher and will never be permitted to participate in the homeownership program.

B. Financial Hardship.

When a family may lose their home due to a financial hardship, KCDC may not commence continued tenant-based assistance for occupancy of a new unit so long as the family member owns any title or other interest in a prior home. The family must successfully sell the home and be cleared of all mortgage securing debt incurred to purchase the home, or any refinancing of such debt.

7. KCDC ADMINISTRATIVE FEE.

Monthly Assistance: For each month home ownership assistance is paid by KCDC on behalf of the family, KCDC shall be paid the ongoing administrative fee described in 24 C.F.R. §982.152(b).

Lump Sum Down Payment Grant: For each down payment assistance grant made by the PHA, HUD will pay the PHA a one-time administrative fee in accordance with Section 982.152 (a) (1) (iii). The one-time administrative fee is initially set at an amount equal to six months of a PHAs on-going regular administration fee. (982.152(b)).

APPENDIX A: SECTION 8 HOME OWNERSHIP OBLIGATIONS

Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB Approval No. 2577-0169 (Exp. 04/30/2018)
Public Reporting Burden for this collection of information is estimated to average 0.25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information.		
This collection of information is authorized under Section 8(y) of the U.S. Housing Act. The information sets forth the family's obligations participating in the homeownership program under the Housing Choice Voucher Program.		

1. Homeowner Obligations. A family participating in the homeownership voucher program of the undersigned public housing agency (PHA) must follow the rules listed below in order to receive homeownership assistance. Any information the family supplies must be true and complete. Each family member (plus any PHA-approved live-in aide for rules associated with criminal activity or alcohol abuse) must:

A. Disclose and verify social security numbers and employer identification numbers, sign and submit consent forms for obtaining information (including criminal conviction records of adult household members), and supply any other information that the PHA or HUD determines to be necessary (including evidence of citizenship or eligible immigration status, information for use in determining eligibility to receive homeownership assistance, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition).

B. Submit any PHA-required reports on the family's progress in finding and purchasing a home.

C. Attend and satisfactorily complete any PHA-required homeownership and housing counseling.

D. Select and pay for a pre-purchase inspection by an independent professional inspector. The inspection must be conducted in accordance with PHA requirements.

E. Enter into a contract of sale with the seller of the unit and promptly provide a copy of the contract of sale to the PHA. The provisions of the contract of sale must comply with PHA requirements.

F. Obtain and maintain flood insurance for homes in special flood hazard areas.

G. Comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).

H. Promptly notify the PHA in writing when (1) the family is away from the home for an extended period of time in accordance with PHA policies, and (2) before the family moves out of the home. Supply any information or certification requested by the PHA to verify that the family is living in the home or information related to family absence from the home.

I. Only use the assisted home for residence by the PHA- Approved family members, live-in aide or foster child. No other person may reside in the home. The home must be the family's only residence and no family member may have any ownership interest in any other residential property. Any legal profit making activities in the home must be incidental to the primary use of the home as a residence. The family must not lease any portion of the home or grounds.

J. Promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child, and request PHA written approval to add any other family member as an occupant of the home. Promptly notify the PHA in writing if any family member no longer lives in the home.

K. Supply any information as required by the PHA or HUD concerning: (1) any mortgage or other debt incurred to purchase the home, any refinancing of such debt (including information needed to determine whether the family has defaulted on the debt, and the nature of any such default), and information on any satisfaction or payment of the mortgage debt; (2) any sale or other transfer of any interest in the home; or (3) the family's homeownership expenses.

L. Promptly notify the PHA in writing if the family defaults on a mortgage securing any debt incurred to purchase the home.

M. Not commit fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program. Not engage in drug-related criminal activity or violent criminal activity. Not engage in other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Not engage in or threaten abusive or violent behavior toward PHA staff. Not engage in other criminal activity which may threaten the health or safety of persons performing a contract administration function or responsibility on behalf of the PHA (including PHA staff and PHA contractor/subcontractor/agent staff).

Form HUD-52649 (04//2015)
Ref. Handbook 7420.8

N. Not lease, let, transfer or convey the home except to grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.

O. Not receive homeownership voucher program assistance while receiving another housing subsidy for the same home or a different unit under any duplicative Federal, State or local housing assistance program.

P. Comply with any additional PHA requirements for family search and purchase of a home and continuation of homeownership assistance for the family. The PHA must attach to this document a list of any such requirements.

2 Termination of assistance. Homeownership assistance may only be paid while the family is residing in the home. The PHA may deny or terminate homeownership assistance for any of the reasons listed below:

A. The family violates or has violated any family obligation under section 1.

B. Any member of the family has been evicted from federally assisted housing in the last five years, or any household member has been evicted from federally assisted housing for drug-related criminal activity in the last three years.

C. A PHA has ever terminated assistance under the certificate or voucher program for any member of the family.

D. The family currently owes any money to the PHA or another PHA in connection with Section 8 or public housing assistance. The family has not reimbursed any PHA for amounts paid to an owner under a housing assistance.

payments contract for rent, damages to the unit, or other amounts owed by the family. The family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.

E. Any household member is subject to a lifetime registration requirement under a State sex offender registration program.

F. Any household member has ever been convicted for manufacture or production of methamphetamine on the premises of federally assisted housing.

G. The family fails to comply, without good cause, with any family self-sufficiency program contract of participation.

H. The family fails, willfully and persistently, to fulfill any welfare-to-work program obligations.

I. The family has been dispossessed from the home pursuant to a judgment order of foreclosure on any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).

J. The PHA determines that homeownership assistance has been provided for the maximum term permitted under the homeownership voucher program, or it has been 180 calendar days since the last homeownership assistance payment on behalf of the family.

K. The PHA determines there is insufficient funding to provide continued homeownership assistance.

KEEP THIS DOCUMENT FOR YOUR RECORDS

FAMILY

Name of Head of Household	Address, Telephone Number:
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Names of Other Family Members

Signature of Family Representative	Date
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Public Housing Agency

Name of PHA	Address, Telephone Number:
Knoxville's Community Development Corporation	P. O. Box 3550 Knoxville, TN 37927-3550 865-403-1234

PHA Representative Title	Counselor/Trainer
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Signature of PHA Representative	Date:
	Form HUD-52649 (04/2015) Ref. Handbook 7420.8

Addendum to Statement of Homeowner Obligations

The following will become part of the HUD-52649 – Statement of Homeowner Obligations.

1. Family Self-Sufficiency participants have a preference for the Section 8 Housing Choice Voucher Program.
2. Each family must have completed an initial Section 8 lease term before being eligible for the Section 8 Housing Choice Voucher Program.
3. Participants must not have owned a home within the last three years (some exceptions do apply).
4. Family must purchase a home within 60 days of becoming mortgage ready. For good cause, two 30- day extensions will be allowed. The closing will be according to the sales contract.
5. Family members who sign the mortgage agreement must have an earned income of at least an amount equal to 2000 hours of annual full-time work at the federal minimum wage or receive income based on social security disability.
6. At least one person who will sign the mortgage agreement must be employed full-time with at least 2000 of annual income at the federal minimum wage and has been so continuously employed for one year prior to execution of the sales agreement. Full-time employment requirement must continue after initial purchase of home in order for homeowner to remain eligible for continued mortgage assistance.
7. A family approved for Section 8 home ownership assistance may purchase the following type of homes within Knox County: a home that is existing or under construction, a home not yet under construction at the time the family contracts to purchase the home contingent on approval of an environmental review report, a single-family home, a condominium, a cooperative, or a manufactured home to be situated on a privately owned lot or on a site that can be leased for a period of at least forty years and the home must be on a permanent foundation.
8. Families may enter into lease-purchase agreements.
9. The sales contract must provide that the seller certifies that they are not debarred, suspended, or subject to limited denial of participation and allow for a Knoxville's Community Development Corporation (KCDC) Housing Quality Standards inspection or an Independent KCDC Contracted Inspection Agency and an independent inspection conducted by a member of the American Society of Home Inspectors (ASHI).
10. A family may receive Section 8 home ownership assistance for no longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of home ownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of home ownership assistance or at any time during the provision of home ownership assistance are not subject to a maximum term limitation.

Homeowner Signature

Date

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

HOUSING CHOICE VOUCHER PROGRAM
FAMILY SELF SUFFICIENCY
ACTION PLAN

July 1, 2026

Table of Contents

I.	Introduction.....	3
II.	Program Objectives.....	3
III.	Program Size & Characteristics... ..	4
IV.	Family Selection Procedures.....	5
V.	Outreach.....	7
VI.	FSS Escrow Account & Other Incentives for Participants.....	8
VII.	Family Activities & Supportive Services.....	10
VIII.	Method of Identifying Family Support Needs & Delivering Appropriate Support Services... ..	12
IX.	Contract of Participation	13
X.	Program Termination, Withholding of Services, & Available Grievance Procedures.....	14
XI.	Assurance of Non-Interference with the Rights of Non-Participating Families.....	15
XII.	Timetable	16
XIII.	Reasonable Accommodations, Effective Communications, & Limited English Proficiency.....	16
XIV.	Coordination of Services.....	16
XV.	FSS Portability	17
XVI.	Additional Program Information.....	19

I. Introduction

This document constitutes the Family Self Sufficiency (FSS) Program Action Plan for the FSS program operated by Knoxville's Community Development Corporation (KCDC). It was submitted to HUD on September 29, 2022

The purpose of the FSS Program is to promote the development of local strategies to coordinate the use of HUD assistance with public and private resources to enable eligible families to make progress toward economic security.

The purpose of the FSS Action Plan is to establish policies and procedures for carrying out the FSS program in a manner consistent with HUD requirements and local objectives.

This FSS Action Plan describes the KCDC's local policies for operation of the FSS program in the context of federal laws and regulations. The FSS program will be operated in accordance with applicable laws, regulations, notices and HUD handbooks. The policies in this FSS Action Plan have been designed to ensure compliance with all approved applications for HUD FSS funding.

The FSS program and the functions and responsibilities of PHA staff are consistent with KCDC's personnel policy and Agency Plan.

II. Program Objectives

KCDC's FSS program seeks to help families make progress toward economic security by supporting the family's efforts to:

- Increase their earned income
- Build financial capability
- Achieve their financial goals

The implementation of a Family Self-Sufficiency Program (FSS) is mandated by the National Affordable Housing Act of 1990. All public/Indian housing authorities that receive additional Section 8 Existing and/or conventional public housing units in FY 1993 and subsequent years must implement an FSS program. The objective of the FSS program is to promote economic self-sufficiency among participating families by reducing the dependency of low-income families on welfare assistance and on public and Section 8 housing assistance. References to the Public Housing Family Self-Sufficiency program have been removed from this plan because that program has been discontinued.

The housing authority is responsible for fulfilling its traditional role of providing subsidized housing. Additionally, the authority must establish an FSS program that provides assistance to participating families to obtain education, skills, and employment necessary to achieve self-sufficiency. The housing authority may leverage public and private sector resources to provide supportive services that assist families to achieve economic independence.

Knoxville's Community Development Corporation (KCDC) voluntarily established a Family Self-Sufficiency program in 1990. This program was designed to meet the FSS Guidelines and has been revised to comply with the Family Self-Sufficiency Final Rule effective May 27, 1994. Effective July 1, 2018, KCDC adopted a voluntary FSS program which will not exceed 50 FSS

participants. The Action Plan is reviewed yearly to reflect changes in the administration and distribution of services.

III. Program Size & Characteristics

A. Family Demographics

These tables describe the demographics of the population expected to be served by KCDC’s Action Plan.

The FSS program will serve the following housing assistance programs

- Housing Choice Vouchers (HCV)
- Housing Choice Vouchers (HCV): HCV Homeownership
- Family Unification Program (FUP)
- Family Unification Program- Youth (FUP-Y)
- Fostering Youth to Independence Initiative (FYI)
- Emergency Housing Vouchers (EHV)
- Veterans Affairs Supportive Housing (VASH)

The following chart presents the characteristics typifying the residents of the Section 8 program. The analysis below documents very low-income families residing in subsidized housing, with the higher concentration being African-American families.

Section 8 Housing	
Race: Caucasian	1287
African-American	1795
Ethnicity: Hispanic	176
Head of Household (Sex)	2495 Female / Male 555
Average Family Size	2.22
Average Annual Income	\$14730

B. Supportive Services Needs

The following is a list of the supportive service needs of the families expected to enroll in KCDC’s FSS program:

- Training in basic skills and executive function (including household management)

- Employment training, including sectoral training and contextualized and/or accelerated basic skills instruction
- Job placement assistance
- GED preparation
- Higher education guidance and support
- English as a Second Language
- Assistance accessing and paying for childcare
- Transportation assistance
- Financial coaching, including assistance with budgeting, banking, credit, debt, and savings
- Access to counseling or treatment for substance abuse and mental health
- Dental care, health care, and mental health care including substance abuse treatment/counseling
- Homeownership readiness

This list of supportive services needs is based on experience with past FSS or other supportive service program participants and input from the PCC and other service provider partners.

C. Estimate of Participating Families

In the Section 8 FSS program, KCDC anticipates enrolling the amount needed to meet the minimum requirement size for the FSS program based on the number of rental vouchers KCDC received in FY 1991/1992, plus the number of additional voucher units reserved between FY 1993 and October 20, 1998 (excluding renewal funding for units previously reserved), and by subtracting the number of families that graduated on or after October 20, 1998 by fulfilling their contracts of participation and subtracting the current participants.

It is anticipated that these families will typify the demographic characteristics of the Section 8 families described above in III A. The controlling factor will be the availability of Section 8 funds to pay for the administrative costs of the program.

In recent years, KCDC has been funded for one (1) FSS Specialist. The minimum number of participants required to be served based on this funding is 50. Historically, KCDC's FSS Program has enrolled 67 families over a five-year period.

IV. Family Selection Procedures

A. Waiting List

If necessary, KCDC will maintain an FSS applicant waiting list for Section 8. All Section 8 voucher holders will be eligible to apply for the KCDC FSS program which also includes Housing Choice Vouchers (HCV), Homeownership, Family Unification Program (FUP) eligible Families and Family Unification Program-Youth (FUP-Y) eligible Youth, Fostering Youth to Independence Initiative (FYI), Emergency Housing Vouchers (EHV), and Veterans Affairs Supportive Housing (VASH). A selection preference and motivational screening factors, as described below, will be used to select the FSS participants from the application lists.

B. Admissions Preference

- i. Applicants who have one or more family members currently enrolled in an FSS-related service program or on the waiting list will be given a preference for up to 50% of the slots in KCDC's FSS program. Within this preference group, the selection cycle will begin with the oldest application. Families who are currently in an FSS-related service program must have documentation of consistent work toward achieving their interim goals to receive preference for selection to the KCDC FSS program.
- ii. Selection of applicants who do not qualify for the preference will be based on the date of application. Once the available slots are filled using this process, the preliminary participants will enter the motivational screening phase of selection.

C. Screening for Motivation

FSS orientation sessions, pre-selection interviews and an assignment of FSS related tasks will be used to determine the family's willingness to undertake the obligations inherent in the FSS program. None of the motivational screening factors prohibited by HUD will be included. Applicants successfully completing this phase of screening, and in compliance with their lease, will be selected as FSS participants.

In the event the necessary supportive services are not available for selected applicants, they will maintain their position on the waiting list until the services can be arranged. They will then be offered the next available open slot.

D. Compliance with Non-Discrimination Policies

It is the policy of KCDC to comply with all Federal, State, and local nondiscrimination laws and regulations, including but not limited to the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973. No person shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the FSS program on the grounds of race, color, sex, religion, national or ethnic origin, family status, source of income, disability or perceived gender identity and sexual orientation. In addition, KCDC's FSS staff will, upon request, provide reasonable accommodation to persons with disabilities to ensure they are able to take advantage of the services provided by the FSS program (see Requests for Reasonable Accommodations).

The FSS program staff has the primary responsibility to make sure that participants are not discriminated against in the selection process. For families or individuals whose potential enrollment is in question, the FSS Specialist will review the file in the staff review meeting to ensure that non-selection is not based on discriminatory factors before the final decision is made. Applicants will be notified in writing of the reason(s) they were not selected for participation and will have the opportunity to appeal the decision (see Hearing Procedures). At all times, KCDC will select families for participation in the FSS program in accordance with FSS Regulations and HUD guidelines.

E. Denial of Participation

- i. An applicant family may be determined ineligible for the FSS program if they previously participated in a family self-sufficiency program and were terminated for failure to comply with the contract of participation. KCDC's FSS Specialist will determine if the applicant is now able to work toward self-sufficiency goals. If participation is granted, the family would not be entitled

to any selection preference. Applicants may also be denied participation if they owe money to KCDC or another housing authority.

- ii. Any family who previously participated in the FSS Program and completed the Contract of Participation with a release of escrow totaling \$5,000 or more will be ineligible to participate in the FSS Program again. Any family who voluntarily terminates their Contract of Participation for good cause will be granted a second opportunity to participate in the FSS Program. The family will be required to wait a period of six months before reapplying for the FSS program.
- iii. Any family that states they are “unable to work” and are not willing or able to seek and maintain suitable employment as required shall be denied participation in the FSS program. NOTE: Disabled individuals who state they are unable to work outside the home but are willing to explore in-home employment opportunities shall not be denied participation.
- iv. Any family that is currently engaged in or awaiting a hearing process with KCDC regarding participation in the Housing Choice Voucher Program may be determined ineligible.

F. Head of FSS Family

The head of the FSS family is designated by the participating family. KCDC may make itself available to consult with families on this decision, but it is the assisted household that chooses the head of the FSS family that is most suitable for their individual household circumstances. The designation or any changes by the household to the Head of FSS Family must be submitted to KCDC in writing.

V. Outreach

To ensure the widest possible recruitment of participants for the FSS program, KCDC will pursue a three-prong outreach approach: residents, community and social service agencies. All efforts will be conscientiously directed toward recruiting a broad representation of both minority and non-minority participants. Outreach materials such as posters and brochures will be designed to reflect the diversity of the participant population. Referrals, support and volunteer services will be sought from community groups and social service agencies that have frequent contact with minority groups as well as non-minority groups.

A. Outreach to KCDC Residents

Outreach directed to new voucher recipients provides most of the FSS enrollments. The FSS program is promoted by distributing brochures and annual mailings. Brochures are distributed both at voucher orientations for new voucher recipients and again when voucher holders come to the office to complete annual re-certifications. At the time of re-certification, the program will be explained in detail to the resident families. To ensure that no family is missed, each head of household will be asked to initial a statement indicating that the FSS program has been explained to them. Anyone who is interested in participating will be put in contact with the Section 8 Family Self-Sufficiency Specialist to begin the intake process or to be placed on a waiting list, if necessary.

Outreach to residents will be an ongoing process. Program brochures and posters will be placed in the KCDC Section 8 admissions office to apprise voucher holders of the

availability of the program. The Section 8 staff will explain the FSS program during the briefing session for the new voucher holder. Information about the program and the application process will be included in the briefing packet. During the lease signing for Section 8, the family will be reminded of the opportunity to apply for participation in the FSS program.

B. Community Outreach

It is important that the community-at-large be informed about the FSS program. An awareness that residents of KCDC housing are striving to reduce their dependency on welfare assistance will counteract many of the negative stereotypes about housing residents. It will also help alert the community to an emerging source of potential employees, students and productive members of the community.

Information about the FSS program will be distributed to various community organizations, and religious and civic institutions. The staff will actively seek publicity about the program through social media and will be available for speaking engagements and interviews on radio and television to further disseminate information about the program. Several graduates have been featured as success stories in the local newspaper and staff will continue to seek this publicity.

C. Agency Outreach

The social service agencies in the area will be a valuable recruitment resource for the FSS program. Many of them provide services for the residents of KCDC housing. They can provide the encouragement and continued support necessary for these residents to apply and complete the FSS Contract of Participation. Information about the program will be provided to these social service providers and will be shared at the quarterly Social Services Committee Agency Meeting hosted by 211, Knoxville's non-emergency information hot line. Follow-up contacts will be made to the most frequently used agencies such as the Department of Human Services, the Knoxville Area Urban League, and the Knoxville-Knox County Community Action Committee.

VI. FSS Escrow Account & Other Incentives for Participants

FSS participants will be eligible to build savings from the FSS escrow account. Key policies and procedures applicable to the FSS escrow account, as well as any additional incentives offered by KCDC are described below.

A. Additional Incentives

There are two major incentives offered to the participants of the FSS program. One incentive is the supportive services provided by the FSS Specialist. The second significant incentive is the establishment of an escrow account.

i. FSS Specialist Case Management Services/Coaching

Each participant will work with the FSS Specialist who will provide guidance in developing a plan to move toward economic self-sufficiency and will link the participant to valuable community resources, as well as act as an advocate for the individual to facilitate full use of appropriate community resources. In addition, the FSS Specialist who coordinates the FSS program will work to develop community resources when needed.

ii. FSS Escrow Account

KCDC will establish a single depository account for the Section 8 FSS program in one or more of the HUD approved investments. The process to

determine when a family pays into the escrow account is as follows:

When the family is selected for participation into the FSS program, KCDC will establish the family's baseline income data.

The FSS families will continue to pay rent in accordance with their income.

KCDC will conduct the customary annual and/or interim reexamination. The calculations will be conducted using the HUD prescribed formula and worksheet for FSS. These calculations will consider the different procedure required for each income limit.

The worksheet calculation will determine the difference, if any, between the baseline income and the current income. In cases where there has been an increase in earned income, an escrow account will be established for the family. The family will begin to accrue escrow into the escrow account when the current Family Rent is greater than the Family Rent on the date the Contract of Participation was executed.

The FSS families will be charged rent in accordance with the procedures used to calculate rent for Section 8. The amount of the increase in Family Rent, due to an increase in earned income, will be credited to the family's escrow account. KCDC will take the escrow amount from the Section 8 housing assistance funds.

At the discretion of KCDC, a family that has fulfilled certain interim goals may request and receive a portion (up to 50%) of the escrow funds during the Contract period. The intended use of the funds must be consistent with stated goals of the Contract. The withdrawn amount does not have to be repaid unless it is determined that the family received the funds based on fraud or misinformation

There are no restrictions on the family's use of the escrow funds once the Contract of Participation obligations have been fulfilled. Among the anticipated uses are moving costs to relocate to unassisted housing, down payment on a house, educational and transportation costs.

iii. FSS Escrow Forfeiture

The Escrow Account will be forfeited if the Contract of Participation is terminated or if the family is still receiving welfare assistance and/or has not met their stated goals when the Contract and extensions expire.

KCDC will use forfeited escrow accounts for support and other costs for FSS participants in good standing when funds requested are needed to complete an interim goal or task in the ITSP and are not ongoing expenses or if the family can demonstrate that the need for one-time payment of otherwise ongoing expenses such as rent, utilities, telephone, cell phone, pager, car payments, car maintenance, insurance, or childcare is needed to complete an interim goal, a final goal, or a task related to such goals in the ITSP. Each participant may only access the forfeited escrow funds twice per calendar year. KCDC will use forfeited escrow accounts for training provided to the FSS Specialist.

VII. Family Activities & Supportive Services

Based on the profile of the families expected to participate in the FSS program, a vast array of problems and needs will have to be addressed. Five broad service areas have been established and private and public resources have been identified to work with the participants in each area. An assessment of the participant's skills and aptitude will be completed by the FSS staff and appropriate community agencies. Based on the results, family members will participate in activities and receive services in one or more of the identified service areas. The following is a description of the service areas and the available service resources:

A. Education & Training

- American Job Center
- Department of Human Services' (DHS) Families First program to provide assessment and job skills training
- Knoxville Area Urban League which provides training for job specific computer skills
- Tennessee College of Applied Technology (TCAT) which offers a variety of academic and job training opportunities leading to certifications
- The Department of Rehabilitation Services offers vocational rehabilitation services which provides assessments and vocational counseling and job training for physically and mentally disabled persons
- Knox County Adult Basic Education Program which provides Adult Basic Education, Adult Business Education, Computer Education, Adult Home Economics, Adult Literacy Program, Evening Trade Extension, and GED preparation
- Financial Literacy and Home Buyers Education which includes: HomeSource, Operation HOPE, and The Knoxville Area Urban League which are all HUD approved financial counseling agencies.
- In additions, the area hosts a large number of public and private institutions of higher education such as Roane State Community College, Tusculum College, Pellissippi State Technical Community College, Lincoln Memorial, and the University of Tennessee all of which provide education opportunities and services for reentry students and students with disabilities.

B. Individual & Family Counseling

An analysis of the services provided in KCDC's voluntary FSS program shows that most FSS participants need some type of counseling services, and many need intensive therapy before they can begin working toward the skills needed to secure financial stability. A variety of services will be available, including individual and family therapy; problem specific counseling for victims of sexual assault or abuse, veterans and their families, persons addicted to drugs and/or alcohol; and victims and perpetrators of domestic violence. The following sample listings are some community resources available to provide these services:

- Child and Family Services which provides individual, family, and group counseling
- Helen Ross McNabb Mental Health Center and Cherokee Health Systems provide individual, family and group counseling as well as medication and testing services. In addition, the Helen Ross McNabb Center provides intervention, detoxification, treatment and after-care services for persons addicted to alcohol and drugs

- Sexual Assault Crisis Center which works with individuals and families who are dealing with issues surrounding sexual abuse and incest
- Veteran Affairs Outpatient Clinic which provides counseling for veterans with service related disabilities
- Y.W.C.A. Victim Advocacy Program which provides education, support, and legal assistance for victims of domestic violence

C. Life Skills Development

Activities and workshops will be provided to help participants develop and improve the skills needed to establish and maintain a stable home environment, compete in the job market, and develop a personal sense of worth. The following sample listings are some community resources available to provide these services:

- KCDC's FSS Specialist will provide social assessment, case management, and coaching to identify and promote the development of needed life skills
- Child & Family Services provides parenting classes
- Knox County Health Department provides family planning education and counseling
- The Disability Resource Center provides life skills training for people with disabilities

D. Supportive Services

One of the major deterrents to achieving self-sufficiency for the targeted participants is their inability to access and/or make sufficient use of supportive services. The FSS Specialist will assist the participants in securing supportive services based on need, and will monitor use of such services. The following sample listings are some community resources available to provide these services:

- Tennessee Department of Human Services (DHS) which provides transitional services such as child care, and TennCare for Temporary Assistance to Needy Families (TANF) recipients enrolled in the Families First program
- The Knoxville/Knox County Community Action Committee's (CAC) Child Care and Head Start Services provide vendor child care, pre-school and after-school education, available on a sliding scale
- Volunteer Ministry Center (The Refuge) which provides financial assistance and supportive counseling
- Catholic Charities provides short term financial assistance, emergency food, clothing and intermediary services for Spanish speaking persons
- Interfaith Health Clinic which provides primary health care on a sliding scale for people who have no medical insurance
- Knoxville Legal Aid Society which provides legal services
- Project Graduation Program which provides college funding to eligible low-income families.

E. Employment

- Tennessee Department of Labor and Workforce Development which provides employment listings and job referrals
- American Job Center provides job-seeking training and placement services
- The Knoxville Area Urban League which provides employment listings and assists in job searches, especially for minority participants

- Tennessee Department of Human Services' provides job-placement services through the Families First program for TANF recipients to work toward economic self-sufficiency.

VIII. Method of Identifying Family Support Needs & Delivering Appropriate Support Services

A. Identifying Family Support Needs

To help determine the supportive services needs of each family, the FSS Specialist will work with the family to complete an initial informal needs assessment for that family before completion of the initial Individual Training Service Plan (ITSP) and signing of the contract of participation. After enrollment in the FSS program, the FSS Specialist may make referrals to partner agencies for completion of one or more formal needs assessments. These assessments may focus on such issues as: employment readiness and employment training needs, educational needs related to secondary and post-secondary education, financial health, and other topics, depending on the needs and interests of the family.

The formal assessments may lead to adjustments to the Individual Training Service Plan, if requested by the family.

B. Delivering Appropriate Support Services

All families who participate in the FSS program will be assigned an FSS Specialist who will provide coaching services to help each participating family to:

- Understand the benefits of participating in the FSS program and how the program can help the family achieve its goals.
- Identify achievable, but challenging interim and final goals for participation in the FSS program, break down the goals into achievable steps and accompany the family through the process.
- Identify existing family strengths and skills.
- Understand the needs that the family has for services and supports that may help the family make progress toward their goals.
- Access services available in the community through referral to appropriate
- Overcome obstacles in the way of achieving a family's goals.

C. Transitional Supportive Service Assistance

Families that have completed their Contract of Participation (CoP) and remain in assisted housing may request assistance with referrals to service providers in order to continue their progress toward economic security. Subject to limitations on staff capacity, KCDC will try to help these families with appropriate referrals. The time spent on these referrals will not be covered by funds designated by HUD to support the FSS program.

IX. Contract of Participation

All families enrolled in the FSS program will be required to sign a Contract of Participation (CoP) that includes an Individual Training and Services Plan (ITSP). This section describes the contents of the CoP and KCDC's policies and practices regarding the CoP.

A. Form & Content of Contract

The CoP, which will incorporate one ITSP for each participating member of the family, sets forth the principal terms and conditions governing participation in the FSS program. These include the rights and responsibilities of the FSS family and of KCDC, the services to be provided to, and the activities to be completed by, each adult member of the FSS family who elects to participate in the program.

B. Individual Training and Service Plan

Each individual's Individual Training and Service Plan (ITSP) will establish specific interim and final goals by which KCDC and the family will measure the family's progress towards fulfilling its obligations under the CoP. For any FSS family that is a recipient of welfare assistance at the outset of the CoP or that receives welfare assistance while in the FSS program, KCDC will establish as a final goal that every household member certify they are free from welfare assistance on the completion date of the CoP. The ITSP of the head of FSS family will also include as a final goal that they seek and maintain suitable employment. The FSS Specialist will work with each participating individual to identify additional ITSP goals that are relevant, feasible and desirable. Any such additional goals will be realistic and individualized.

C. Determination of Suitable Employment

As defined in the FSS regulations (24 CFR 984.303(4)(iii)), a determination of what constitutes "suitable employment" for each family member with a goal of seeking and maintaining it will be made by KCDC, with the agreement of the affected participant, based on the skills, education, job training and receipt of other benefits of the family member and based on the available job opportunities within the community.

D. Contract of Participation Term & Extensions

The CoP will go into effect on the first day of the month following the execution of the CoP. The initial term of the CoP will run the effective date through the five-year anniversary of the first reexamination of income that follows the execution date. Families may request up to two one-year extensions and are required to submit a written request that documents the need for the extension. KCDC will grant the extension if it finds that good cause exists to do so. In this context, good cause means:

- i. Circumstances beyond the control of the FSS family, as determined by KCDC, such as a serious illness or involuntary loss of employment;
- ii. Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g. completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by KCDC or

- iii. Any other circumstances that the KCDC determines warrants an extension.

E. Completion of the Contract

The CoP is completed, and a family's participation in the FSS program is concluded when the FSS family has fulfilled all its obligations under the CoP, or before the expiration of the contract term. The family must provide appropriate documentation that each of the ITSP goals has been completed. KCDC requires a combination of self-certification and third-party verification to document completion of ITSP goals.

F. Modification

KCDC and the FSS family may mutually agree to modify the CoP with respect to the ITSP and/or the contract term, and/or designation of the head of FSS household. All modifications must be in writing and signed by the KCDC as well as the Head of FSS Family.

KCDC will allow for modifications to the CoP under the following circumstances:

- i. When the modifications to the ITSP improve the participant's ability to complete their obligations in the CoP or progress toward economic self-sufficiency
- ii. When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members, after consultation with KCDC, designate another family member to be the FSS head of family
- iii. When a relocating family is entering the FSS program of a receiving PHA and the start date of the CoP must be changed to reflect the date the new CoP is signed with the receiving PHA
- iv. KCDC will not allow modifications if the CoP is within 60 days from the end of the term.

G. Consequences of Non-Compliance with the Contract

Participant non-compliance with the CoP may result in termination from the FSS program. See policies on Involuntary Termination in Section X(A).

X. Program Termination, Withholding of Services, & Available Grievance Procedures

A. Program Termination

KCDC may terminate the Contract of Participation for any of the following reasons:

- The participant and KCDC mutually agree to terminate the contract.
- KCDC determines that the participant has not fulfilled his/her responsibilities under the contract.
- KCDC will not terminate Section 8 assistance as a consequence of the family's termination from the FSS program for non-compliance with the Contract of Participation.

- The participant withdraws from the FSS program.
- The participant has been granted the maximum time allowed for FSS contract extensions and has not been able to achieve self-sufficiency.
- The participant is terminated from the Housing Choice Voucher program.
- The participant is found to have falsified records or committed fraud.
- No contact made in three (3) consecutive quarters, (nine months).

KCDC will give the family prompt written notice of the decision to terminate FSS participation. The notice will contain a statement of the reasons for termination of services, and inform the family of the right to request an informal hearing on the decision and the time by which the request for an informal hearing must be made.

The informal hearing will be conducted by members of the FSS Program Coordinating Committee. KCDC committee members and any other member(s) who were involved in the decision to terminate, or supervise those who made the decision, will be ineligible to serve as hearing officers. The hearing will be conducted in accordance with the Section 8 regulations. A copy of the hearing decision will be furnished promptly to the participating family.

B. Termination with Escrow Disbursement

In most cases, families whose FSS contracts are terminated will not be entitled to disbursement of their accrued FSS escrowed funds. However, the CoP will be terminated with FSS disbursement when one of the following situations occurs:

- i. Services that KCDC and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable.
- ii. The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless KCDC and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family.
- iii. An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR §982.353) for good cause, as determined by the PHA, and continuation of the CoP after the move, or completion of the CoP prior to the move, is not possible.

XI. Assurance of Non-Interference with the Rights of Non-Participating Families

Participation in the FSS Program is voluntary. A family's decision on whether to participate in FSS will have no bearing on KCDC's decision of whether to admit the family into the Housing Choice Voucher program. The family's housing assistance will not be terminated based on whether they decide to participate in FSS, their successful completion of the CoP, or on their failure to comply with FSS program requirements.

KCDC will ensure that the voluntary nature of FSS program participation is clearly stated in all FSS outreach and recruitment efforts.

XII. Timetable

Operation of the FSS program began upon receipt of HUD approval of the Action Plan. Outreach began immediately.

The application process and participant selection for Section 8 families began in June 1994. By September 1994, the mandated FSS Section 8 program was in full operation.

XIII. Reasonable Accommodations, Effective Communications, & Limited English Proficiency

A. Requests for Reasonable Accommodations

A person with disabilities may request reasonable accommodations to facilitate participation in the FSS program. Requests will be considered on a case-by-case basis.

Requests should be made initially to the FSS Specialist. If a family is not satisfied with the FSS Specialist's response, the family may submit a request in writing in accordance with the agency's reasonable accommodations policy. The policy is available online at <https://www.kcdc.org/residents/>.

B. Request for Effective Communications

A person with disabilities may request the use of effective communication strategies in order to facilitate participation in the FSS program. Examples include: appropriate auxiliary aids and services, such as interpreters, computer-assisted real time transcription (CART), captioned videos with audible video description, visual alarm devices, a talking thermostat, accessible electronic communications and websites, documents in alternative formats (e.g., Braille, large print), or assistance in reading or completing a form, etc.

Requests should be made initially to the FSS Specialist. If a family is not satisfied with the FSS Specialist's response, the family may submit a request in writing in accordance with the agency's effective communications policy. The policy is available online at <https://www.kcdc.org/residents/>.

C. Limited English Proficiency

KCDC will comply with HUD requirements to conduct oral and written communication related to the FSS program in languages that are understandable to people with Limited English Proficiency. For more information, see the Limited English Proficiency policy available online at <https://www.kcdc.org/residents/>.

XIV. Coordination of Services

A. Certification of Coordination

Development of the services and activities under the FSS program has been coordinated with programs under title I of the Workforce Innovation and Opportunity Act 29 U.S.C. 3111 et seq., and other relevant employment, childcare, transportation, training, education, and financial empowerment programs in the area. Implementation will continue to be coordinated, in order to avoid duplication of services and activities.

B. Program Coordinating Committee

The principal vehicle for ensuring ongoing coordination of services is the program coordinating committee (PCC), which has been established in accordance with FSS regulations to assist in securing commitments of public and private resources for the operation of the FSS Program. Among other responsibilities, the PCC will help the FSS

program to identify and build strong referral relationships with providers of supportive services that meet the needs of FSS participants. The PCC will also be consulted in developing program policies and procedures.

The PCC will meet quarterly and may conduct business on an as-needed basis via email or telephone conferences. The PCC includes the following representatives:

- One or more FSS Specialists/ Program Coordinators
- One or more participants from each HUD rental assistance program served by the FSS program.
- Representatives from a variety of agencies and individuals, which include but are not limited to the following:
 - Tennessee Department of Human Services, the agency that administers the Families First Employment Program
 - Workforce Connections
 - Knoxville-Knox County Community Action Committee-CAC, the agency that serves as a broker for supportive services such as child care, transportation
 - Other agencies and organizations that provide services and training related to family self-sufficiency

XV. FSS Portability

A. Portability in Initial 12 Months

- i.** Families participating in the Section 8 FSS program must lease an assisted unit in KCDC's jurisdiction for twelve months after the effective date of the FSS Contract of Participation before they are eligible to exercise the portability provision. A portability move will not nullify the termination of FSS participation for a family who has failed to comply with the requirements of the Contract.
- ii.** KCDC will continue to administer the Contract of Participation and the escrow account if the family can demonstrate to KCDC's satisfaction that it can meet the FSS obligations in the new location. If the family elects to remain in the KCDC FSS and cannot fulfill the goals at the new location, the Contract will be terminated and the escrow funds will be forfeited to KCDC.
- iii.** A relocating FSS family may participate in the FSS program of the receiving PHA if the PHA agrees to accept the family into their FSS program. In such cases, KCDC will terminate its Contract with the family and transfer the escrow funds, if any, to the receiving PHA. The receiving PHA will enter into a new Contract of Participation with the FSS family for the term remaining on the Contract with KCDC.
- iv.** If the receiving Housing Authority is absorbing, but does not offer the FSS program or the services needed, KCDC will have to terminate the participant because they will be unable to fulfill their obligation under the Contract of Participation. However, upon termination, the participant is permitted to receive a portion of their escrow account (as an interim disbursement not to exceed 50% of the fund) if they have completed some major goals and/or will be continuing their education.

- v. A family in good standing in another PHA's FSS program will be accepted into the KCDC FSS program if there is a vacant slot and no applicant on the waiting list with a selection preference. If the family can be readily accepted, KCDC will execute a Contract of Participation with the same expiration date as the initiating PHA's Contract and accept administration of the escrow account. If a relocating family cannot be accepted immediately into KCDC's FSS program, they will be placed on the waiting list with a selection preference.

Pursuant to the United States Housing Act of 1937 Section 16 subsection (a) (42 U.S.C 1437n(a)) which was amended with the issuance of the Housing Opportunity Through Modernization Act (HOTMA) of 2016, KCDC will implement the revised regulations related to income and assets in HOTMA Sections 102 and 104 as early as January 1, 2024, but no later than July 1, 2025, based on when KCDC's software.

KCDC which operates the FSS program should note that families participating in the FSS program are subject to all HOTMA interim reexamination regulations. KCDC cannot implement local policy to perform an interim reexamination for increases in adjusted income below the 10% threshold for FSS participants. Although families participating in FSS may experience fewer escrow increases under the HOTMA final rule, the revised IR regulations may provide these families the opportunity to use their increased earnings to realize other short or long-term goals outside of the scope of the FSS program. The HOTMA interim reexamination regulations impact administration of the FSS program in the following ways: is able to submit to the Housing Information Portal (HIP).

1. FSS participants are subject to all requirements of the HOTMA interim reexamination regulations; and
2. At enrollment, PHAs may not perform an interim reexamination of annual income unless the family experienced a change in adjusted annual income that meets the threshold to perform an interim reexamination under the HOTMA final rule.
3. Families for whom their first reexamination of income does not occur until their regularly scheduled annual reexamination will not have the opportunity to begin escrowing their increased earnings until that time and may have fewer escrow increases over the life of the 5-year contract.

ADDITIONAL PROGRAM INFORMATION

PROGRAM COORDINATING COMMITTEE

MEMBERSHIP ROSTER

- **After School Programs/Child Care**
 - A Representative from Boys and Girls Club
- **Community Resources**
 - A Representative from The Knoxville Area Urban League who also provides resources for Home Ownership and Job Training/Placement.
 - A Representative from Community Coalition Against Human Trafficking
 - A Representative from Knoxville Area Transit (Former FSS Participant)
- **Social Services**
 - A Representative from Knoxville/Knox County Community Action Committee
- **Education**
 - A Representative from Project GRAD
 - A Representative from Tennessee College of Applied Technology
 - A Representative from Pellissippi State Community College
 - A Representative from Knox County Schools
 - A Representative from The University of Tennessee Extension Program
 - A Representative from Roane State
- **Financial**
 - A Representative from Operation Hope
- **Health Services**
 - A Representative from a Mental Health Facility
 - A Representative from Knoxville Medicine
- **Home Ownership**
 - A Representative from KCDC's Section 8 Homeownership Program
 - A Representative from a Real Estate Company
- **Job Training/Placement**
 - A Representative from CAC Workforce Connections
 - A Representative from Goodwill Industries
- **Housing**
 - A Representative from East Tennessee Human Resource Agency (ETHRA)
 - A Representative from East Tennessee Housing Development Corporation
 - A Representative from The Restoration House
 - A Representative from Oak Ride Housing Authority
- **KCDC Agency Representation**
 - FSS Specialist
 - Section 8 VP of Rental Assistance
- **Participant Representatives**
 - FSS Participant Section 8 Resident

Capital Fund Program - Five-Year Action Plan

Status: Draft

Approval Date:

Approved By:

Part I: Summary						
PHA Name : Knoxville's Community Development Corp.		Locality (City/County & State)				
PHA Number: TN003		<input checked="" type="checkbox"/> Original 5-Year Plan		<input type="checkbox"/> Revised 5-Year Plan (Revision No:)		
A.	Development Number and Name	Work Statement for Year 1 2026	Work Statement for Year 2 2027	Work Statement for Year 3 2028	Work Statement for Year 4 2029	Work Statement for Year 5 2030
	WESTERN HEIGHTS ADDITION (TN003000001)	\$541,561.00	\$541,561.00	\$364,724.00	\$364,724.00	\$364,724.00

Capital Fund Program - Five-Year Action Plan

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 1 2026				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	WESTERN HEIGHTS ADDITION (TN003000001)			\$541,561.00
ID0000602	Admin Fees (Western)(Administration (1410)-Other)	Western Heights		\$54,156.00
ID0000603	Demo (Western)(Dwelling Unit - Demolition (1480))	Western Heights		\$487,405.00
	Subtotal of Estimated Cost			\$541,561.00

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2025

And Report of Independent Auditor

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-3

MANAGEMENT’S DISCUSSION AND ANALYSIS4-9

ROSTER OF BOARD MEMBERS AND PUBLIC OFFICIALS.....10

FINANCIAL STATEMENTS

 Statement of Net Position 11-12

 Statement of Revenues, Expenses, and Changes in Net Position 13

 Statement of Cash Flows..... 14-15

 Notes to the Financial Statements..... 16-66

SUPPLEMENTARY INFORMATION

 Schedule of Actual Costs for the Specified Projects 67

 Financial Data Schedule (“FDS”) Electronic Submission Schedule 68-87

 Schedule of Expenditures of Federal Awards 88

 Notes to Schedule of Expenditures of Federal Awards 89

SINGLE AUDIT SECTION

 Report of Independent Auditor on Internal Control over Financial Reporting and on
 Compliance and Other Matters Based on an Audit of Financial Statements Performed in
 Accordance with *Government Auditing Standards* 90-91

 Report of Independent Auditor on Compliance for Each Major Federal Program and Report
 on Internal Control over Compliance in Accordance with the Uniform Guidance 92-93

 Schedule of Findings and Questioned Costs 94-95

 Summary Schedule of Prior Audit Findings 96

Report of Independent Auditor

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Knoxville's Community Development Corporation ("KCDC") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise KCDC's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of KCDC as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Five Points 1, LP; Five Points 2, LP; Five Points 3, LP; Five Points 4, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP; Western Heights LP and Liberty Place Knoxville LP which represent 96%, 96%, and 100%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for Five Points 1, LP; Five Points 2, LP; Five Points 3, LP; Five Points 4, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP; Western Heights LP and Liberty Place Knoxville LP; is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. The financial statements of Five Points 1, LP; Five Points 3, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; and Liberty Place Knoxville, LP were not audited in accordance with *Government Auditing Standards*. We are required to be independent of KCDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KCDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KCDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KCDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise KCDC's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the Schedule of Actual Costs for the Specified Project, and the Financial Data Schedule Electronic Submission Schedule, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the roster of board members and public officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025 on our consideration of KCDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KCDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCDC's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Knoxville's Community Development Corporation's ("KCDC") Management's Discussion and Analysis ("MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of KCDC's financial activity, (c) identify changes in KCDC's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with KCDC's basic financial statements (see table of contents).

KCDC reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Financial Highlights – 2025

- KCDC's total Net Position increased by \$13,344,031 or 8.1% during fiscal year 2025. Net Position was \$178,029,071 and \$164,695,040 (as restated) for 2025 and 2024, respectively. This increase in net position is primarily due to fixed asset construction and rehabilitation less correction of an error.
- Revenue increased by \$13,764,395 or 18.2% during fiscal year 2025. Revenues were \$90,416,647 and \$76,488,186 for 2025 and 2024, respectively. The increase in total revenue is primarily due to grant funding for Western Heights revitalization, Fifth Avenue GP, Five Points Infill development, and an increase in Section 8 HAP revenues.
- Expenses increased by \$6,436,236 or 10.4%. Total expenses were \$68,224,324 and \$61,788,088 for 2025 and 2024, respectively. The increase in expenses is primarily Section 8 housing assistance payments.

Using this Annual Report

The Report includes three major sections as follows:

MD&A

Management's Discussion and Analysis

Basic Financial Statements

Authority-wide Basic Financial Statements

Notes to Basic Financial Statements

Supplementary Information

Supplementary Information

The primary focus of KCDC's basic financial statements is KCDC as a whole (Authority-wide). This perspective allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority), and enhance KCDC's accountability.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Authority-wide Basic Financial Statements

The Authority-wide basic financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns which add to a total for KCDC.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for KCDC. The statement is presented in the format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources, equals "Net Position". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Noncurrent".

Net Position is reported in three broad categories:

- *Net Investment in Capital Assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* – This component of Net Position consists of restricted assets, when external constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
- *Unrestricted Net Position* – This component consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide basic financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as Rental Income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Nonoperating Revenue and Expenses, such as grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for, operating activities, non-capital financing activities, and from capital and related financing activities.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year.

	<u>2025</u>	<u>2024 Restated</u>	<u>Net Change</u>
ASSETS			
Current and restricted assets	\$ 81,604,799	\$ 77,835,200	\$ 3,769,599
Capital assets, net	82,765,260	87,912,016	(5,146,756)
Other assets	120,216,709	89,070,560	31,146,149
Total Assets	<u>284,586,768</u>	<u>254,817,776</u>	<u>29,768,992</u>
Deferred outflows of resources	<u>4,576,992</u>	<u>-</u>	<u>4,576,992</u>
LIABILITIES			
Current liabilities	12,155,876	19,057,089	(6,901,213)
Noncurrent liabilities	<u>73,415,867</u>	<u>66,838,148</u>	<u>6,577,719</u>
Total Liabilities	<u>85,571,743</u>	<u>85,895,237</u>	<u>(323,494)</u>
Deferred inflows of resources	<u>25,562,946</u>	<u>4,227,499</u>	<u>21,335,447</u>
Net Position:			
Net investment in capital assets	37,791,075	42,608,805	(4,817,730)
Restricted net position	11,808,294	22,169,221	(10,360,927)
Unrestricted net position	<u>128,429,702</u>	<u>99,917,014</u>	<u>28,512,688</u>
Total Net Position	<u>\$ 178,029,071</u>	<u>\$ 164,695,040</u>	<u>\$ 13,334,031</u>

For more detailed information see the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Total Assets increased by \$29,768,992 primarily due to investments in capital asset construction and rehabilitation and notes receivable related to development activities.

Total Deferred Outflows of Resources increased \$4,576,992 primarily due to conduit assets that will be transferred out at project completion.

Total Liabilities decreased by \$323,494 primarily due to available funds used to pay down current obligations related to development activities and initiatives supporting KCDC's mission and the City's redevelopment activities.

Total Deferred Inflows of Resources increased \$21,335,447 primarily due to conduit activities.

Total Net Position increased by \$13,334,031. This increase is the result of excess revenues over operating expenses for 2025, as shown in the Change in Unrestricted Net Position schedule below.

While the result of operations is a significant measure of KCDC's activities, the analysis of the changes in Unrestricted Net Position in the Statement of Net Position schedule provides a clearer representation of change in financial well-being.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Change in Unrestricted Net Position

Unrestricted net position at June 30, 2024 as originally stated	\$ 100,917,014
Error correction	(1,000,000)
Results of operations - year ended June 30, 2025	13,334,031
Changes in net position restrictions:	
Restricted net position	10,360,927
Net investment in capital assets	4,817,730
Total Unrestricted Net Position at June 30, 2025	<u>\$ 128,429,702</u>

Statement of Revenues, Expenses, and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year.

	<u>2025</u>	<u>2024</u> <u>Restated</u>	<u>Net Change</u>
Revenues:			
Tenant rents/other	\$ 7,030,980	\$ 6,343,491	\$ 687,489
Grants and capital funds	69,055,227	55,688,151	13,367,076
Interest income	2,731,059	2,569,691	161,368
Other revenues	11,599,381	11,886,853	(287,472)
Total Revenues	<u>90,416,647</u>	<u>76,488,186</u>	<u>13,928,461</u>
Expenses:			
Administrative	12,882,222	11,625,589	1,256,633
Tenant services	747,697	575,307	172,390
Utilities	3,900,760	3,584,849	315,911
Maintenance	5,224,816	5,365,657	(140,841)
Protective services	328,220	372,875	(44,655)
General and insurance	4,070,283	3,646,088	424,195
Interest and amortization	1,376,866	1,430,009	(53,143)
Extraordinary maintenance and casualty	290,747	564,050	(273,303)
Housing assistance payments	31,882,155	26,772,158	5,109,997
Depreciation and amortization	7,520,558	7,851,506	(330,948)
Total Expenses	<u>68,224,324</u>	<u>61,788,088</u>	<u>6,436,236</u>
Other Revenues (Expenses):			
Special item and loss on disposition	(8,858,292)	(40,639)	(8,817,653)
Total Change in Net Position	<u>\$ 13,334,031</u>	<u>\$ 14,659,459</u>	<u>\$ (1,325,428)</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

JUNE 30, 2025

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

As reflected in the “Financial Highlights” section above, KCDC’s development activities were the primary contributor to the overall increase in revenues, expenses and net position.

Budgetary Highlights

For the year ended June 30, 2025, budgets were prepared by KCDC and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agencies.

As indicated by the excess of total revenues over total expenses shown above, KCDC’s net position increased during the fiscal year primarily due to development funding and activities.

Capital Assets

For the year ended June 30, 2025, KCDC had \$82,765,260 invested in a variety of capital assets as reflected in the following schedule, which represents a decrease of \$5,146,756 from the end of the prior year. This net decrease is attributable to infrastructure transferred out to other governments.

Capital Assets at Year-End (Net of Depreciation)

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes to the financial statements.

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
Land	\$ 13,442,615	\$ 13,442,615	\$ -
Buildings	180,690,036	180,375,262	314,774
Furniture/equipment	6,042,128	5,899,378	142,750
Infrastructure	1,842,777	10,503,985	(8,661,208)
Construction in process	20,063,159	9,582,062	10,481,097
Accumulated depreciation	(139,596,409)	(132,543,751)	(7,052,658)
Right-to-use subscription asset	1,885,386	1,864,406	20,980
Accumulated amortization	(1,604,432)	(1,211,941)	(392,491)
Total Capital Assets	<u>\$ 82,765,260</u>	<u>\$ 87,912,016</u>	<u>\$ (5,146,756)</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

JUNE 30, 2025

Change in Capital Assets

	Historical Cost	Accumulated Depreciation and Amortization	Net
Balance at June 30, 2024	\$ 221,667,708	\$ 133,755,692	\$ 87,912,016
Additions	12,142,522	7,520,558	4,621,964
Dispositions	(9,844,129)	(75,409)	(9,768,720)
Balance at June 30, 2025	<u>\$ 223,966,101</u>	<u>\$ 141,200,841</u>	<u>\$ 82,765,260</u>

Debt Outstanding

For the year ended June 30, 2025, KCDC had \$74,442,776 in debt (bonds, notes, etc.) outstanding compared to \$76,570,400 last year, showing a \$2,127,624 decrease, which is the net of a \$9,068,919 increase in notes payable related to construction activities, and a \$11,196,543 decrease from extinguishment of capital debt.

Outstanding Debt, at Year-End

	2025	2024 Restated	Net Change
Debt:			
Current portion	\$ 2,879,138	\$ 11,263,914	\$ (8,384,776)
Long term portion	71,563,638	65,306,486	6,257,152
Total Debt	<u>\$ 74,442,776</u>	<u>\$ 76,570,400</u>	<u>\$ (2,127,624)</u>

Economic Factors

Significant economic factors affecting KCDC are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rate.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
- Inflationary pressure on fuel costs, utility rates, supplies, and other costs.

Request for Information

The financial report is designed to provide a general overview of KCDC’s finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917 or by email to rbrown@kcdc.org or to dmcandrews@kcdc.org.

Roster of Board Members

Chairman: Scott Broyles
Vice Chairman: Felix Harris
Secretary: Benjamin M. Bentley
Treasurer: Becky Wade

Commissioner: Nadim Jubran
Commissioner: Bob Whetsel
Commissioner: Kimberly K. Henry
Resident Commissioner: Martha Tate

Roster of Management Officials

Benjamin M. Bentley, Executive Director/CEO
Nancy White, Chief Financial Officer
Sabrina Draplin, Chief Housing Officer
Jim Hatfield, Chief Development Officer
Marisa A. Moazen, Chief Strategy Officer

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION

JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
ASSETS		
Current Assets:		
Cash and cash equivalents, unrestricted	\$ 11,513,315	\$ 3,242,581
Cash and cash equivalents, restricted	19,373,441	15,641,255
Investments, unrestricted	7,263,378	-
Investments, restricted	-	24,631
Accounts receivable, net of allowance	36,548,216	1,236,525
Due from other governments	5,506,848	7,653
Inventories	21,152	87,417
Prepaid expense	498,095	1,211,725
Lease receivable	361,294	-
Assets held for conveyance	519,060	-
Total Current Assets	<u>81,604,799</u>	<u>21,451,787</u>
Noncurrent Assets:		
Lease receivable	3,516,644	-
Notes and mortgages receivable	86,216,821	-
Total Other Noncurrent Assets	<u>89,733,465</u>	<u>-</u>
Capital Assets:		
Nondepreciable	33,505,774	30,039,723
Depreciable, net	49,259,486	193,010,019
Total Capital Assets, Net	<u>82,765,260</u>	<u>223,049,742</u>
Other Noncurrent Assets:		
Interest receivable	6,446,157	-
Assets held for conveyance	18,991,340	-
Other noncurrent assets	5,045,747	6,227,552
Total Other Noncurrent Assets	<u>30,483,244</u>	<u>6,227,552</u>
Total Noncurrent Assets	<u>202,981,969</u>	<u>229,277,294</u>
Total Assets	<u>284,586,768</u>	<u>250,729,081</u>
Deferred outflows of resources	4,576,992	-
Total Assets and Deferred Outflows of Resources	<u><u>\$ 289,163,760</u></u>	<u><u>\$ 250,729,081</u></u>

The accompanying notes to the financial statements are in integral part of these statements.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
LIABILITIES		
Current Liabilities:		
Vendors and contractors payable	\$ 4,796,776	\$ 11,764,368
Accrued wages/taxes payable	614,717	82,142
Accrued compensated absences	812,628	-
Accrued interest payable	110,098	5,642,822
Due to other governments	250,156	63,848
Unearned revenue	1,005,884	158,517
Notes and bonds payable	2,879,138	1,084,417
Other current liabilities	1,237,358	13,542,106
Subscription liability	36,364	-
Resident security deposits	412,757	390,838
Total Current Liabilities	12,155,876	32,729,058
Noncurrent Liabilities:		
Notes and bonds payable	71,563,638	93,064,813
Related party notes payable	-	51,005,653
Accrued compensated absences	1,649,882	-
Other accrued liabilities	202,347	190,974
Total Noncurrent Liabilities	73,415,867	144,261,440
Total Liabilities	85,571,743	176,990,498
Deferred inflows of resources	25,562,946	-
Total Liabilities and Deferred Inflows of Resources	111,134,689	176,990,498
Net Position:		
Net investment in capital assets	37,791,075	66,868,630
Restricted	11,808,294	1,199,939
Unrestricted	128,429,702	5,670,014
Total Net Position	178,029,071	73,738,583
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 289,163,760	\$ 250,729,081

The accompanying notes to the financial statements are in integral part of these statements.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
Operating Revenues:		
Rental revenue	\$ 6,142,002	\$ 4,994,900
Fee revenue	888,978	-
HUD grants	53,704,732	-
Other governmental grants	15,330,785	8,505,944
Other revenue	11,596,119	376,073
Total Operating Revenues	<u>87,662,616</u>	<u>13,876,917</u>
Operating Expenses:		
Administrative	12,882,222	2,837,544
Tenant services	747,697	74,492
Utilities	3,900,760	2,155,718
Ordinary maintenance and operation	5,224,816	3,141,708
Protective services	328,220	265,788
Insurance	964,795	1,023,938
General expenses	3,105,488	799,363
Housing assistance payments	31,882,155	-
Depreciation and amortization	7,520,558	5,300,734
Total Operating Expenses	<u>66,556,711</u>	<u>15,599,285</u>
Net Operating Income	<u>21,105,905</u>	<u>(1,722,368)</u>
Nonoperating Revenues (Expenses):		
Interest revenue, unrestricted	2,582,259	723,403
Interest revenue, restricted	148,800	50,697
Interest expense	(1,376,866)	(3,349,503)
Fraud recovery	3,262	-
Extraordinary maintenance and casualty	(290,747)	-
Other nonoperating expenses	-	(29,486)
Loss on disposition of capital assets and land held for conveyance	(173,413)	-
Total Nonoperating Expenses, Net	<u>893,295</u>	<u>(2,604,889)</u>
Income (loss) before contributions	21,999,200	(4,327,257)
Capital contributions	-	7,993,032
Capital fund grant	19,710	-
Change in net position before special item	<u>22,018,910</u>	<u>3,665,775</u>
Special item	(8,684,879)	-
Change in net position	<u>13,334,031</u>	<u>3,665,775</u>
Net position, beginning of year, as previously reported	165,695,040	70,072,808
Restatement - error correction (Note 13)	<u>(1,000,000)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>164,695,040</u>	<u>70,072,808</u>
Net position, end of year	<u>\$ 178,029,071</u>	<u>\$ 73,738,583</u>

The accompanying notes to the financial statements are in integral part of these statements.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Receipts from dwelling rentals	\$ 6,044,102
Operating grants	68,923,738
Receipts from fees	888,978
Other receipts	11,975,555
Payments to employees and suppliers	(27,491,534)
Payments to landlords and residents	(31,882,155)
	<u>28,458,684</u>
Net cash flows from operating activities	<u>28,458,684</u>

Cash flows from capital and related financing activities:

Capital fund grant	19,710
Purchase of capital assets	(11,058,681)
Acquisition of assets held for conveyance	(2,122,901)
Proceeds from sale of assets	381,689
Proceeds from capital debt	9,068,919
Proceeds from leases receivable	349,561
Interest received from leases receivable	115,465
Principal paid on capital debt	(10,887,844)
Interest paid on capital debt	(1,359,106)
Principal paid on subscription asset	(378,997)
Interest paid on subscription asset	(13,542)
Extraordinary maintenance and other	(287,485)
	<u>(16,173,212)</u>
Net cash flows from capital and related financing activities	<u>(16,173,212)</u>

Cash flows from investing activities:

Interest received	1,298,922
Proceeds from sales of investments	6,861,359
Payments received on notes receivable	(29,249,743)
Proceeds from notes receivable	1,098,665
	<u>(19,990,797)</u>
Net cash flows from investing activities	<u>(19,990,797)</u>

Change in cash and cash equivalents	(7,705,325)
Cash, beginning of year	38,592,081
Cash, end of year	<u>\$ 30,886,756</u>

Reconciliation of cash to the statement of net position:

Cash and cash equivalents, unrestricted	\$ 11,513,315
Cash and cash equivalents, restricted	19,373,441
Cash, end of year	<u>\$ 30,886,756</u>

The accompanying notes to the financial statements are in integral part of these statements.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Operating income:	\$ 21,105,905
Adjustments to reconcile net operating income to net cash flows from operating activities:	
Depreciation and amortization	7,520,558
Bad debt expense	457,802
Changes in assets and liabilities:	
Accounts receivable	(2,740,135)
Inventory	(3,707)
Other governments	(153,545)
Prepaid expenses	360,805
Accounts payable	2,551,599
Accrued wages	186,249
Accrued compensated absences	131,954
Due to other governments	41,766
Unearned revenue	(196,385)
Other accrued liabilities	(828,123)
Security deposits	23,941
Net cash flows from operating activities	<u>\$ 28,458,684</u>
Noncash reconciling items:	
Transfer of infrastructure to other governments recorded as special item	<u>\$ 8,684,879</u>
Deferred inflows related to assets held for conveyance	<u>\$ 16,050,000</u>

The accompanying notes to the financial statements are in integral part of these statements.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations

Organization – Knoxville's Community Development Corporation, Inc. ("KCDC") is a public body corporate and politic pursuant to the Laws of the State of Tennessee which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development ("HUD") and other Federal Agencies. The primary purpose of KCDC is to provide safe, decent, sanitary, and affordable housing to low-income, elderly, and disabled families in Knoxville, Tennessee.

Reporting Entity – The governing body of KCDC is its Board of Commissioners, which is composed of seven members appointed by the Mayor of the City of Knoxville. The Board appoints a Chief Executive Officer to administer the business of KCDC. KCDC is not considered a component unit of the City of Knoxville.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Sections 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards of the Governmental Accounting Standards Board: The Financial Reporting Entity. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has both blended component units and discretely presented component units.

Blended component units:

- Passport Development Corporation ("PDC") is a Section 115 Corporation which has served as KCDC's general partner ("GP") to limited partnerships formed in conjunction with low-income tax credits. Currently PDC is the GP for Eastport Development LP, owner of The Residences at Eastport Phase II.
- Knoxville's Housing Development Corporation ("KHDC") is a Section 115 Corporation established to acquire, rehab, or develop affordable housing projects in the Knoxville area for KCDC. KHDC is the owner of Passport Homes, Clifton Road Apartments, and Five Points Infill.
- Family Investment Foundation, Inc. is a 501(c) (3) Corporation established for charitable, social, vocational, recreational and health purposes, and related business ventures.
- Greater Tennessee Housing Assistance Corporation is a Section 115 Corporation established as an instrumentality of KCDC. The purpose of the corporation is to facilitate leasing activity on acquired property.
- Five Points 1 Corporation is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Senior Building.
- Five Points 2 Corporation is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of Five Points Phase 2 Apartments.
- Five Points 3 Corporation is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Phase 3 Apartments.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Five Points 4 Corporation is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Phase 4 Apartments.
- Passport Housing Corporation is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the rehabilitation and operation of apartment units at Residences at Lonsdale, North Ridge Crossing, and The Vista at Summit Hill.
- Montgomery Village Housing Corporation is a Section 115 Corporation that is a wholly-owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Montgomery Village Apartments.
- Hollywood GP Corporation is a Section 115 Corporation created for ownership and financing activities related to 817 Hollywood Road, Knoxville, Tennessee.
- Young High GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 121 E. Young High Pike, Knoxville, Tennessee.
- Moss Grove GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 265 & 266 Moss Grove Boulevard, Knoxville, Tennessee.
- Cagle Terrace Corporation is a Section 115 Corporation that is a wholly-owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Cagle Terrace Apartments.
- Bell Street Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 1A redevelopment.
- Bell Street 2 Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 2A redevelopment. Construction activity has begun but has not begun leasing as of June 30, 2025.
- Bell Street 3 Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 1B redevelopment.
- Western Heights Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Western Heights redevelopment.
- Western Heights I Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Western Heights Phase I redevelopment. Construction activities have begun as of June 30, 2025.
- Liberty Place Knoxville Corporation is a Section 115 Corporation created for ownership and financing activities related to Liberty Place Knoxville LP redevelopment.
- Holston GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Holston Hills Road, Knoxville, Tennessee.
- Grosvenor Square GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 2400 and 2600 Merchant Drive, Knoxville, Tennessee and 5291 Oakhill Drive, Knoxville, Tennessee.
- Sutherland 1 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 1036 Dunhill Way, Knoxville, Tennessee and 3200 Sutherland View Way, Knoxville, Tennessee.
- Sutherland 2 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 510 Vista Glen Way, Knoxville, Tennessee.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Western Heights 2 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 2 redevelopment. Construction activity has begun but has not begun leasing as of June 30, 2025.
- Western Heights 3 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 3 redevelopment. Pre-development activity has begun but has not begun leasing as of June 30, 2025.
- Western Heights 4 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 4 redevelopment. Pre-development activity has not begun as of June 30, 2025.
- Bluegrass GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 1645 Ebenezer Road, Knoxville, Tennessee.
- Hardin Valley GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Hardin Valley Rd, Knoxville, Tennessee.
- Fifth Avenue GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Fifth Avenue, Knoxville, Tennessee.
- Western Heights Community Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to the Transforming Western Heights project in Knoxville, Tennessee.

These blended component units are reported in the aggregate, in the primary government column, on the Combining Schedule of Net Position and Combining Schedule of Revenues, Expenses, and Changes in Net Position. Although Montgomery Village Corporation and Cagle Terrace Corporation are reported in aggregate with the blended component units, each undergoes a separate financial audit. Requests for the full financial information of Montgomery Village Corporation and Cagle Terrace Corporation should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917.

Discretely presented component units

As of June 30, 2025, KCDC recognized cumulatively fourteen limited partnerships ("LPs") as discretely presented component units as follows:

- Eastport Development LP was formed under the laws of the State of Tennessee on November 10, 2009 to acquire, own, develop, lease, and operate The Residences at Eastport, Phase II (the "Property") located in Knoxville, Tennessee. The Property consists of a 60-unit multifamily apartment complex developed and operated under the federal low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code ("Section 42").
- Five Points 1, LP was formed under the laws of the State of Tennessee on January 23, 2014 to acquire, own, develop, lease, and operate Five Points Senior Building (the "Property") located in Knoxville, Tennessee. The Property consists of 90 units, developed and operated under the low-income housing tax credit program. Additionally, the Partnership entered into a Housing Assistance Payments Program ("HAP") and Rental Assistance Demonstration Use Agreement ("RAD") with HUD. The effective date of these agreements is July 1, 2017, and the agreements expire on April 30, 2037.
- Five Points 2, LP was formed under the laws of the State of Tennessee on January 1, 2016 to acquire, own, develop, lease, and operate Five Points 2 Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 84 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Five Points 3, LP was formed under the laws of the State of Tennessee on August 30, 2016 to acquire, own, develop, lease, and operate Five Points Phase 3 located in Knoxville, Tennessee. The Property consists of 80 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Five Points 4, LP was formed under the laws of the State of Tennessee on November 13, 2017 to acquire, own, develop, lease, and operate Five Points Phase 4 Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 82 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Property are subject to the provisions of a regulatory agreement with HUD.
- Lonsdale, LP was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease, and operate The Lonsdale (the "Property") located in Knoxville, Tennessee. The Property consists of 260 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- North Ridge Crossing, LP was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease, and operate North Ridge Crossing Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 268 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Vista at Summit Hill, LP (the "Partnership") was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease, and operate The Vista at Summit Hill (the "Property") located in Knoxville, Tennessee. The Property consists of 175 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Bell Street, LP was formed under the laws of the State of Tennessee on February 1, 2019 to acquire, own, develop, lease, and operate Bell Street Flats (the "Property") located in Knoxville, Tennessee. The Property consists of 105 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Bell Street 2, LP was formed under the laws of the State of Tennessee on February 18, 2020 to acquire, own, develop, lease, and operate Austin Homes Phase 3 (the "Property") located in Knoxville, Tennessee. The Property consists of 161 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Bell Street 3, LP was formed under the laws of the State of Tennessee on February 18, 2020 to acquire, own, develop, lease, and operate Austin Homes Phase 1B (the "Property") located in Knoxville, Tennessee. The Property consists of 180 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Property are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Western Heights LP was formed under the laws of the State of Tennessee on July 30, 2021 to acquire, own, develop, lease, and operate Western Heights (the "Property") located in Knoxville, Tennessee. The Property consists of 232 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Western Heights 1 LP was formed under the laws of the State of Tennessee on March 22, 2023 to acquire, own, develop, lease, and operate Western Heights (the "Property") located in Knoxville, Tennessee. The Property consists of 76 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- Liberty Place Knoxville LP was formed under the laws of the State of Tennessee on May 26, 2022 to acquire, own, develop, lease, and operate Liberty Place (the "Property") located in Knoxville, Tennessee. The Property consists of 32 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Property are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.

Requests for the full financial information of the discretely presented component units as of December 31, 2024 should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917.

Main programs of KCDC are as follows:

- Low Rent Public Housing under Annual Contributions Contract A-2571: This type of housing consists of apartments and single-family dwellings owned and operated by KCDC. Funding is provided by tenant rent payments and subsidies provided by HUD. As of June 30, 2025, one low-income housing property remains in this portfolio.
- Section 8 Housing Choice Voucher Cluster (Housing Choice Vouchers, Mainstream Voucher, and Emergency Housing Voucher Programs): These are housing programs wherein low rent tenants lease housing units directly from private landlords rather than through KCDC. KCDC contracts with these private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants.
- Section 8 Project-based Cluster (Moderate Rehabilitation Properties and Section 8 Special Allocations): Section 8 project-based rental assistance programs aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants. The Mod Rehab property owners are independent parties. The Special Allocations fund KCDC-owned Multi-family Housing developments which were converted from public housing to local ownership through HUD's RAD program.
- Development/Redevelopment Programs administer internal projects, CDBG, and other projects for the City of Knoxville, Knox County, and the Metropolitan Knoxville Airport Authority.
- Public Housing Capital Fund Programs are programs for the modernization, demolition, and redevelopment of public housing funded by HUD.
- The Manor is a program whereby KCDC provides meals, laundry service, and has twenty-four-hour staff available for the special needs of the more dependent elderly tenants. This service is provided to those tenants for a fee.
- Central Office Cost Center is a business unit within KCDC that earns income from internal fees by overseeing other KCDC programs.
- Other Programs/Activities include KCDC's Family Self-Sufficiency program.
- KCDC became a Moving to Work (MTW) agency during the year ended June 30, 2024. Designation as a MTW agency provides funding flexibility. KCDC began utilizing its approved funding flexibility during the year ended June 30, 2025.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies

Basis of Presentation and Accounting – In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”).

KCDC reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

U.S. GAAP for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net asset categories:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Net position whose use by KCDC is subject to externally imposed stipulations that can be fulfilled by actions of KCDC pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or KCDC Board or may otherwise be limited by contractual agreements with outside parties.

Budgets – Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, KCDC considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.

Inter-Program Receivables and Payables – Inter-program receivables/payables, when present, are all current, and are the result of the use of a common paymaster for shared costs of KCDC. Cash settlements are made periodically, and all inter-program balances net to zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

Investments – Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and consist mainly of certificates of deposit and U.S. treasury securities.

Prepaid Items – Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Capital Assets

Book Value – All purchased fixed assets are valued at cost when historical records are available. Land values were derived from development closeout documentation.

Donated fixed assets are recorded at acquisition value at the time they are received.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

Depreciation – The cost of capital assets is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

Buildings	27 years
Building modernization	10 years
Appliances	7 years
Office equipment	7 years
Maintenance equipment	5 years
Automobiles	5 years
Community space equipment	5 years
Right-to-use subscription asset	5 years
Computer equipment	3 years

Maintenance and Repairs Expenditures – Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of Capital Assets – KCDC has been and is currently involved in various demolition activities in conjunction with its modernization and development programs. KCDC has at June 30, 2025, recognized in the accompanying basic financial statements the impact of the demolition activities. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. KCDC has not recognized any asset impairment for the year ended June 30, 2025.

Deferred Outflow of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to conduit assets. Deferred outflows of resources represent a consumption of net assets by KCDC that is applicable to a future reporting period. At June 30, 2025, deferred outflows of resources are composed of the following:

Stadium infrastructure project	\$ 1,960,403
Old City streetscapes funds	2,616,589
Total deferred outflows of resources	<u>\$ 4,576,992</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Lease Receivable – KCDC recognizes a lease receivable and a deferred inflow of resources on leases at the commencement of the lease term, with certain exceptions for short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease period. The deferred inflow of resources on leases is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. Revenue from the included leases is recognized by using the effective interest method.

Right-to-Use Subscription Asset – The right-to-use subscription asset represents KCDC’s right to use certain subscription-based information technology during a defined subscription term. The right-to-use subscription asset is valued at the present value of the related subscription payments plus any other identified capitalizable costs associated with software implementation less related accumulated amortization. Accumulated amortization is calculated using the straight-line method over the shorter of the subscription term or the estimated useful life of the underlying information technology asset.

Compensated Absences – A compensated absence liability is recognized in accordance with Government Accounting Standards Board (“GASB”) Statement 101, *Compensated Absences*, that includes: 1) leave that is attributable to services already rendered, 2) leave that accumulates, and 3) leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to conduit funds, funds that may be conduit in nature, and leases subject to GASB 87. Deferred inflows of resources represent an acquisition of net assets by KCDC that is applicable to a future reporting period. At June 30, 2025, deferred inflows of resources are composed of the following:

Lease receivable	\$ 3,877,938
Assets held for conveyance	16,050,000
Stadium infrastructure project	3,018,419
Old City streetscapes funds	<u>2,616,589</u>
Total deferred inflows of resources	<u>\$ 25,562,946</u>

Litigation Losses – KCDC recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.

Risk Management – KCDC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of, assets; errors and omissions; injuries to employees; and natural disasters. KCDC carries commercial insurance for all identified risks of loss, including workers’ compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

Use of Restricted Assets – It is KCDC’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Operating Revenues and Expenses – The principal operating revenues of KCDC’s enterprise fund are HUD operating grants and charges to customers for rents and services. Operating expenses for KCDC’s enterprise fund include the cost of providing housing and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Implementation of Accounting Pronouncement – In June 2022, GASB issued *Statement No. 101 Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. KCDC adopted this statement effective July 1, 2024 with no impact on net position.

In December 2022, GASB issued *Statement No. 102 Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide the users of governmental financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions and assessing accountability. The statement establishes financial reporting requirements for such risk and applies to financial statements of all state and local governments. KCDC adopted this statement effective July 1, 2024 with no impact on the financial statements.

Recent Accounting Pronouncements – In April 2024, GASB issued *Statement No. 103 Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. KCDC is currently evaluating the impact that will result from adopting this statement.

In September 2024, GASB issued *Statement No. 104 Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. It also establishes requirements for capital assets held for resale, including additional disclosures for those capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. KCDC is currently evaluating the impact of this statement.

Note 3—Deposits and investments

For purposes of the Statement of Cash Flows, KCDC considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.

HUD Deposit and Investment Restrictions – HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit, or any other federally insured instruments. HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by KCDC or with an unaffiliated bank or trust company for the account of KCDC.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

Deposit and Investment Risks – KCDC held the following deposit and investments at June 30, 2025:

Deposits

Unrestricted	\$ 11,513,315
Restricted other	18,874,824
Restricted for tenant security deposits	428,497
Restricted for payment of current liabilities	70,120
Total cash demand deposits	<u>\$ 30,886,756</u>

Investments

Investment	Maturity Date	Value Principal Paid 6/30/2025	Fair Market Value 6/30/2025	Moody's Rating	S & P Rating	Callable
CD	7/9/2025	\$ 250,000	\$ 249,965	NR	NR	NO
CD	8/11/2025	250,000	250,058	NR	NR	NO
CD	9/15/2025	250,000	249,998	NR	NR	NO
CD	10/10/2025	250,000	250,398	NR	NR	NO
CD	10/20/2025	250,000	250,443	NR	NR	NO
CD	11/28/2025	250,000	249,965	NR	NR	NO
CD	12/15/2025	250,000	250,018	NR	NR	NO
CD	12/19/2025	250,000	249,838	NR	NR	NO
CD	3/25/2026	250,000	249,510	NR	NR	NO
CD	4/24/2026	250,000	250,438	NR	NR	NO
CD	5/1/2026	250,000	249,423	NR	NR	NO
CD	7/24/2026	250,000	249,933	NR	NR	NO
CD	8/24/2026	250,000	250,593	NR	NR	NO
CD	9/28/2026	250,000	249,333	NR	NR	NO
CD	10/16/2026	250,000	249,400	NR	NR	NO
CD	10/19/2026	250,000	249,475	NR	NR	NO
CD	2/1/2027	250,000	250,858	NR	NR	NO
CD	4/20/2027	250,000	250,298	NR	NR	NO
CD	12/27/2027	250,000	250,090	NR	NR	NO
US TREAS NTS	3/31/2026	400,000	402,328	Aa1	NR	NO
US TREAS NTS	1/15/2027	250,000	250,595	Aa1	NR	NO
US TREAS NTS	3/31/2027	250,000	250,390	Aa1	NR	NO
US TREAS NTS	5/31/2027	250,000	244,835	Aa1	NR	NO
US TREAS NTS	6/15/2027	250,000	254,140	Aa1	NR	NO
Total		6,150,000	6,152,322			
Cash and cash equivalents	N/A	<u>1,111,063</u>	<u>1,111,063</u>	NR	NR	NO
Total securities		<u>\$7,261,063</u>	<u>\$7,263,378</u>			

KCDC categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs.

Level 1 – Quoted prices (unadjusted) of identical assets or liabilities in active markets that an entity has ability to access as of the measurement date, or observable inputs.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

Level 3 – Significant unobservable inputs that reflect an entity’s own assumptions above the assumptions that market participants would use in pricing an asset or liability.

KCDC has the following recurring fair value measurements as of June 30, 2025:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposits	\$ 4,750,028	\$ 4,750,028	\$ -	\$ -
Cash equivalents	9,354	9,354	-	-
Money markets	1,101,708	1,101,708	-	-
U.S. treasury securities	1,402,288	-	1,402,288	-
Total investments	<u>\$ 7,263,378</u>	<u>\$ 5,861,090</u>	<u>\$ 1,402,288</u>	<u>\$ -</u>

Restricted and unrestricted cash and investments:

Low income public housing:				
Restricted for tenant security deposits			\$	950
Housing choice voucher:				
Restricted for housing assistance payments equity and noncurrent liabilities				28,249
Moving to work:				
Restricted for housing assistance payments equity				631,659
Restricted for payment of current liabilities				70,120
Emergency housing voucher:				
Restricted for housing assistance payments equity & non-current liabilities				46,227
Blended component unit:				
Restricted for modernization and development				3,204,261
Restricted for replacement reserve				2,401,419
Restricted for tenant security deposits				182,999
Section 8 special allocation:				
Restricted for operating reserve				100,670
Restricted for rehab escrow				6,752,954
Restricted for tenant security deposits				244,548
State/local:				
Restricted for modernization and development				5,709,385
Total restricted demand deposits				<u>19,373,441</u>
Unrestricted cash				11,513,315
Unrestricted investments				<u>7,263,378</u>
Total unrestricted cash and investments				<u>18,776,693</u>
Total restricted and unrestricted cash and investments			\$	<u><u>38,150,134</u></u>

Custodial Credit Risk – Exposure to custodial credit related to deposits exists when KCDC holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department, or agent but not in KCDC’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when KCDC holds investment that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in KCDC’s name.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

KCDC's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits, and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities obligation of federal agencies, securities of government-sponsored agencies, and other instruments which may be approved by the U.S. Department of HUD. As required by Federal 12 U.S. C.A., Section 1823(e), all financial institutions pledging collateral to KCDC must have a written collateral agreement approved by the Board of Directors or loan committee.

The investments held in the various trust accounts for bond covenant purposes are invested in open-ended mutual funds which are not subject to custodial credit risk because they do not represent specific individual securities.

At June 30, 2025, KCDC was not exposed to custodial credit as defined above.

Investment Credit Risk – KCDC's investment policy limits unrestricted investments to those allowed by the U.S. Department of HUD. These investment limitations are described in Note 1. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. KCDC has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations – rating agencies – as of the year-end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

As noted in the schedule of deposits and investment above, at June 30, 2025, the investments held by KCDC mature July 9, 2025 through June 15, 2027. KCDC may sell these investments at fair value at any time.

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of KCDC. Investments issued or explicitly guaranteed by HUD-approved instruments are excluded from this consideration.

Note 4—Accounts receivable

Due from managed entities	\$ 1,976,841
Tenant accounts receivable, net of allowance of \$4,265	367,119
Due from affiliates	11,127,169
Other	23,077,087
Total accounts receivable	<u>\$ 36,548,216</u>

Note 5—Due from other governments

HUD	\$ 982,030
Local governments	4,524,818
Total due from other governments	<u>\$ 5,506,848</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 6—Assets held for sale or conveyance

In its capacity as a local redevelopment agency, KCDC contracts with other local governmental agencies for various types of redevelopment projects. These projects may range from relatively minor projects such as rehabilitation of family dwellings up to much larger commercial redevelopment endeavors.

In the course of this activity, KCDC often assumes ownership of selected properties during the rehabilitation period, only to transfer or sell these properties in accordance with the contract with the respective local governments. The noncurrent portion is \$18,991,341. The current portion is \$519,060.

Note 7—Notes and mortgages receivable

Eastport Development, LP	\$ 5,036,924
Lonsdale, LP	6,640,841
North Ridge Crossing, LP	5,240,580
Vista at Summit Hill, LP	5,007,768
Five Points 1, LP	489,760
Five Points 2, LP	2,327,136
Five Points 3, LP	1,407,879
Five Points 4, LP	2,602,749
Bell Street, LP	523,277
Bell Street 2, LP	11,130,611
Bell Street 3, LP	6,824,911
Western Heights, LP	17,805,000
Western Heights 1, LP	13,323,274
Liberty Place Knoxville, LP	4,976,357
Western Heights 2, LP	609,754
Merchant Holdings, LLC	2,270,000
Total notes and mortgages receivable	<u>\$ 86,216,821</u>

Eastport Development Limited Partnership – KCDC entered into a mixed financing arrangement with Eastport Development, L.P. (“EDLP”) for the addition of 60 public housing units as part of The Residences at Eastport II in the Five Points Community in Knoxville, Tennessee. The notes receivable consists of a loan for \$100,000 from KCDC’s Capital Fund Program now held by Passport Development Corporation (“PDC”), a wholly-owned subsidiary of KCDC; a loan for \$4,058,273 from KCDC’s ARRA Grant, held by PDC; a loan for \$128,651 from Knoxville’s Housing Development Corporation (“KHDC”) funds, now held by KHDC; a loan for \$750,000 from PDC and held by PDC. The principal balance of all outstanding loans as of June 30, 2025 was \$5,036,924.

The Capital Funds and ARRA funds were provided through HUD as grants to KCDC. In cooperation with HUD, the Capital and ARRA Funds are being loaned to EDLP and are due 40 years after completion of the project. The capital improvements purchased with these funds are reflected on the financial statements of EDLP.

	<u>Interest Accrual Rate</u>	<u>Maturity Date</u>
Capital Funds Loan	0% annually	October 1, 2051
ARRA Funds Loan	0% annually	October 1, 2051
KHDC Loan	0% annually	October 1, 2051
Passport Development Corporation Loan	0% annually	October 1, 2051

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Lonsdale, LP – In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$3,530,000 note payable from Lonsdale, LP (“Seller Loan”). The notes accrue interest at 2.82% per annum on the face amount. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$3,380,948.

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$3,070,000 note payable from Lonsdale, LP (“KCDC Purchase Loan”). The notes accrue interest at 2.82% per annum on the face amount. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The notes are secured by the Property. As of June 30, 2025, the principal balance outstanding was \$2,940,372.

KCDC obtained a \$319,521 note payable from Lonsdale, LP (“KCDC Reserves Loan”) pursuant to the loan agreement, dated August 25, 2017. The note bore no interest through January 31, 2019. Beginning February 1, 2019, the note bears interest at 2.82% per annum. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$319,521.

North Ridge Crossing, LP – In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$6,500,000 note payable from North Ridge Crossing, LP (“Seller Loan”). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on August 31, 2057. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$3,183,530.

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$4,200,000 note payable from North Ridge Crossing, LP (“KCDC Purchase Loan”). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on August 31, 2057. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$2,057,050.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Vista at Summit Hill, LP – In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$2,310,000 note payable from Vista at Summit Hill, LP (“Seller Loan”). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$2,128,789.

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$2,690,000 note payable from Vista at Summit Hill, LP (“KCDC Purchase Loan”). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$2,478,979.

KCDC obtained a \$400,000 note payable from Vista at Summit Hill, LP (“KCDC Reserves Loan”) pursuant to the loan agreement, dated August 25, 2017. The note bears no interest until January 31, 2019. Beginning February 1, 2019, the note bears interest at 2.82% per annum. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2025, the principal balance outstanding was \$400,000.

Five Points 1, LP – KCDC obtained a \$734,640 promissory note from Five Points 1, LP. The loan, which is secured by the Property, bears interest at 8% per year, as defined in the promissory note. The entire principal balance and accrued interest is due on the maturity date of May 1, 2033. The loan shall be payable from available cash flow. As of June 30, 2025, the principal balance outstanding was \$489,760.

Five Points 2, LP – KCDC obtained a \$1,291,177 note payable from Five Points 2, LP pursuant to the loan agreement, dated May 23, 2017 (“KCDC RHF Loan”). The note bore no interest until September 30, 2018 and 7.75%, thereafter. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 30 years. The entire principal shall be due and payable in full on October 31, 2048. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. As of June 30, 2025, the principal balance outstanding was \$1,291,177.

KCDC obtained a \$1,660,763 note payable from Five Points 2, LP pursuant to the loan agreement, dated May 23, 2017 (“KCDC Reserves Loan”). The note bears no interest until February 1, 2019 and 7.75%, thereafter. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 30 years. The entire principal shall be due and payable on January 31, 2049. As of June 30, 2025, the principal balance outstanding was \$1,035,959.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Five Points 3, LP – KCDC obtained a \$661,556 promissory note from Five Points 3, LP dated April 12, 2018. The principal balance of this note, which is secured by the property, shall bear interest from the date of this note until January 31, 2020 at the rate of 0% per annum. From and after February 1, 2020, the principal balance of this note shall bear interest at a rate of 3.04% per annum. On the maturity date, January 31, 2050, the entire outstanding principal balance advanced under this promissory note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2025, the principal balance outstanding was \$124,825.

KCDC obtained a \$1,000,000 promissory note from Five Points 3, LP dated April 12, 2018. The principal balance of this Note, which is secured by the property, shall bear interest from the date of this note until January 31, 2020 at the rate of 0% per annum. From and after February 1, 2020, the principal balance of this note shall bear interest at a rate of 3.04% per annum. On the maturity date, January 31, 2050, the entire outstanding principal balance advanced under this promissory note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2025, the principal balance outstanding was \$1,000,000.

KCDC obtained a \$1,186,419 promissory note from Five Points 3, LP dated April 12, 2018. Proceeds are drawn incrementally in accordance with terms of the Promissory Note. The principal balance of this note, which is secured by the property, shall bear interest from the funding date until the principal balance and all accrued interest is paid in full at the rate of 3.04% per annum. Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2025, the principal balance outstanding is equal to the amount of draws to date, totaling \$283,054.

Five Points 4, LP – KCDC obtained a \$1,911,592 promissory note from Five Points 4, LP dated May 14, 2019. The principal balance of this note, which is secured by the property, shall bear interest from the date of this note until September 1, 2020 at the rate of 0% per annum. From and after September 2, 2020, the principal balance of this note shall bear interest at a rate of 7.50% per annum, compounding monthly. On the maturity date, September 1, 2050, the entire outstanding principal balance advanced under this promissory note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 4 LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2025, the principal balance outstanding was \$1,521,289.

KCDC obtained a \$1,081,460 promissory note from Five Points 4, LP dated May 14, 2019. The principal balance of this Note, which is secured by the property, shall bear interest from the date of this note until September 1, 2020 at the rate of 0% per annum. From and after September 2, 2020, the principal balance of this note shall bear interest at a rate of 7.50% per annum, compounding monthly. On the maturity date, September 1, 2050, the entire outstanding principal balance advanced under this promissory note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 4 LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2025, the principal balance outstanding was \$1,081,460.

Bell Street, LP – KCDC obtained a \$5,368,119 promissory note from Bell Street, LP, dated July 15, 2020. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until December 31, 2021. From and after January 1, 2022, the principal balance of this note shall bear interest at the rate equal to the Applied Federal Rate as of the date of the note per annum. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of thirty years with a maturity date of July 15, 2060. Notwithstanding the foregoing, Bell Street, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$523,277.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Bell Street 2, LP – KCDC obtained a \$11,130,611 promissory note from Bell Street 2, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of the of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of December 31, 2066. Notwithstanding the foregoing, Bell Street 2, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$11,130,611.

Bell Street 3, LP – KCDC obtained a \$6,324,911 promissory note from Bell Street 3, LP, dated June 22, 2021. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of June 22, 2061. Notwithstanding the foregoing, Bell Street 3, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$6,324,911.

KCDC obtained a \$500,000 promissory note from Bell Street 3 LP, dated June 22, 2021. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of June 22, 2061. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$500,000.

Western Heights, LP – KCDC obtained a \$11,500,000 promissory note from Western Heights, LP dated October 18, 2022. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until September 30, 2024. From and after October 1, 2024, the principal balance of this note shall bear interest at a fixed rate of 0.75%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of October 18, 2062. If there is insufficient net cash to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advance under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$11,500,000.

KCDC obtained a \$6,305,000 promissory note from Western Heights, LP dated October 18, 2022. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until September 30, 2024. From and after October 1, 2024, the principal balance of this note shall bear interest at a fixed rate of 0.75%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of 40 years with a maturity date of October 18, 2062. If there is insufficient net cash to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advance under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$6,305,000.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Western Heights 1, LP – KCDC obtained a \$8,437,040 promissory note from Western Heights 1, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 2.5%. Equal installments of the principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of May 23, 2064. Notwithstanding the foregoing, Western Heights 1, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$8,000,000.

KCDC obtained a \$5,886,000 promissory note from Western Heights 1, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0%. During the construction term, no payments of principal or interest are due. After the commencement of the term loan, Western Heights 1, LP shall be required to pay equal annual installments of principal and accrued interest from net cash flow. If there is insufficient net cash flow to make payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date of May 23, 2064, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$5,323,274.

Liberty Place Knoxville, LP – KHDC obtained a \$1,976,357 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of August 16, 2063. Notwithstanding the foregoing, Liberty Place Knoxville, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$1,976,357.

KCDC obtained a \$2,000,000 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1% per annum. The note is secured by the property but is subordinate to promissory note held by the senior lender. Payments of principal and interest are payable from net cash flow, as defined, and if there is insufficient net cash flow to make payments, such amounts shall accrue and be paid from future net cash flow. The entire principal and unpaid interest balance shall be due and payable in full on August 16, 2063. As of June 30, 2025, the principal balance outstanding was \$2,000,000.

KCDC obtained a \$1,000,000 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1% per annum. The entire principal and unpaid interest balance shall be due and payable in full on August 16, 2045. As of June 30, 2025, the principal balance outstanding was \$1,000,000.

Western Heights 2, LP – KCDC obtained a \$900,000 promissory note from Western Heights 2, LP dated June 18, 2025. The principal balance of this note shall bear interest at a fixed rate of 0%. The note is secured by the property but is subordinate to promissory note held by the senior lender. So long as no event of default occurs, Western Heights 2, LP shall not be required to make any payments of principal and interest until the maturity date of July 18, 2065. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$500,000.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

KCDC obtained a \$160,392 promissory note from Western Heights 2, LP dated June 18, 2025. The principal balance of this note shall bear interest at a fixed rate of 0%. The note is secured by the property but is subordinate to promissory note held by the senior lender. So long as no event of default occurs, Western Heights 2, LP shall not be required to make any payments of principal and interest until the maturity date of July 18, 2065. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$109,754.

Merchant Holdings, LLC – KCDC obtained a \$2,270,000 promissory note from Merchant Holdings, LLC dated December 5, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. During the construction term, so long as no event of default occurs, Merchant Holdings, LLC shall not be required to make any payments of principal and interest. Following the construction term, Merchant Holdings, LLC shall be required to pay equal annual installments of principal and accrued interest from available cash flow. On maturity date of December 31, 2066. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$2,270,000.

Note 8—Land, buildings, and equipment

	Balance 7/1/2024	Additions	Adjustments/ Disposals	Transfers	Balance 6/30/2025
Nondepreciable:					
Land	\$ 13,442,615	\$ -	\$ -	\$ -	\$ 13,442,615
Construction in progress	9,582,062	11,584,838	(1,083,841)	(19,900)	20,063,159
Total nondepreciable	23,024,677	11,584,838	(1,083,841)	(19,900)	33,505,774
Depreciable:					
Buildings & improvements	180,375,262	393,359	(54,914)	(23,671)	180,690,036
Infrastructure	10,503,985	-	(8,684,879)	23,671	1,842,777
Accumulated depreciation	(130,363,409)	(6,529,341)	54,914	-	(136,837,836)
Net buildings and improvements	60,515,838	(6,135,982)	(8,684,879)	-	45,694,977
Equipment:	5,899,378	143,345	(20,495)	19,900	6,042,128
Accumulated depreciation	(2,180,342)	(598,726)	20,495	-	(2,758,573)
Net equipment	3,719,036	(455,381)	-	19,900	3,283,555
Net depreciable assets	64,234,874	(6,591,363)	(8,684,879)	19,900	48,978,532
Right-to-use:					
Right-to-use subscription asset	1,864,406	20,980	-	-	1,885,386
Accumulated amortization	(1,211,941)	(392,491)	-	-	(1,604,432)
Net right-to-use assets	652,465	(371,511)	-	-	280,954
Total capital assets, net	\$ 87,912,016	\$ 4,621,964	\$ (9,768,720)	\$ -	\$ 82,765,260

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 9—Unearned revenue

Unearned revenue:

HCV administration fees	\$ 32,885
Tenant prepaid rents	138,603
Resident association funds	84,240
Other	750,156
Total unearned revenue	<u>\$ 1,005,884</u>

Note 10—Notes payable

KCDC is indebted to various lenders as follows:

Reference	Interest Expense	Current Debt	Noncurrent Debt	Total Debt	Accrued Interest
1	\$ 15,269	\$ 123,158	\$ 317,743	\$ 440,901	\$ 1,058
2	213,438	254,639	5,814,261	6,068,900	16,439
3	-	45,605	658,898	704,503	-
4	4,989	66,033	16,837	82,870	314
5	63,222	54,397	1,536,824	1,591,221	4,641
6	123,819	78,181	4,026,936	4,105,117	10,092
7	95,953	60,172	3,121,279	3,181,451	7,821
8	416,549	190,382	9,883,745	10,074,127	34,420
9	-	60,000	900,000	960,000	-
10	265,033	246,649	10,731,752	10,978,401	21,865
11	165,052	133,069	5,618,233	5,751,302	13,448
12	-	-	500,000	500,000	-
13	-	700,000	13,300,000	14,000,000	-
14	-	866,853	14,137,130	15,003,983	-
15	-	-	1,000,000	1,000,000	-
Total	<u>\$ 1,363,324</u>	<u>\$ 2,879,138</u>	<u>\$ 71,563,638</u>	<u>\$ 74,442,776</u>	<u>\$ 110,098</u>

1. *Truist* – On April 15, 2004, KCDC issued a promissory note to SunTrust Bank (now Truist) in the amount of \$2,470,155. The proceeds were utilized to reimburse KCDC for construction of a Head Start building to provide preschool education for qualified low-income eligible children. The note was paid in full in May 2015 and again refinanced through Truist in the amount of \$1,567,500 bearing interest at 2.88% per annum. On March 10, 2020, the note was amended and restated under the same terms as the prior note, except that the end date was extended to exclude a balloon payment. The note is to be paid in monthly increments of \$11,869 through October 2028. The outstanding balance as of June 30, 2025 is \$440,901.
2. *Pinnacle Bank* – On March 31, 2022, KCDC entered into a Construction and Term Loan Agreement with Pinnacle Bank for mortgage financing of a 277-unit senior housing complex. The face amount of the loan agreement is \$6,500,000 and interest shall be calculated at the prime rate less 4%, (but not less than 0% and not higher than 3.25%) as detailed in the loan documents. The note is to be paid in monthly increments of \$36,111 through April 1, 2039. The outstanding balance as of June 30, 2025 is \$6,068,900.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

3. *Home Federal* – On October 5, 2023, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 10-unit affordable housing development. The face amount of the loan agreement is \$1,700,000. Interest only payments are due through August 31, 2025. Principal and interest payments necessary to amortize the principal balance and accrued interest over 35 years commence on the first day of the term period. The maturity date of the note is October 5, 2038. Interest shall be calculated at the adjusted interest rate of 4.5%. The outstanding balance as of June 30, 2025 is \$704,503.
4. *First Horizon* – On June 30, 2001, Passport Homes LP entered into a loan for mortgage financing with First Tennessee Bank (now First Horizon Bank) for the University Avenue Affordable Housing Project, “Passport Homes” in the Mechanicsville Community. The original amount of the loan was \$1,000,000 bearing interest at 4.55% per annum with a maturity date of December 1, 2015. Pursuant to the dissolution of Passport Homes LP, KCDC assumed this note in accordance with a Modification and Assumption Agreement dated January 31, 2017. All terms of the loan remain intact. The outstanding balance as of June 30, 2025 is \$82,870.
5. *Home Federal* – On December 27, 2018, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 53-unit senior housing complex. The face amount of the loan agreement is \$4,900,000. The note is to be amortized over 25 years, commencing on the first day of the term period. Interest only shall be due through October 31, 2019. Thereafter, monthly principal and interest payments are required. Interest shall be calculated at the adjusted interest rate (WSJ Prime less 4%, but not less than 0% and not higher than 9%) as detailed in the loan documents. The outstanding balance as of June 30, 2025 is \$1,591,221.
6. *Home Federal* – On October 1, 2020, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 249-unit senior housing complex. The face amount of the loan agreement is \$4,300,000 and is to be amortized over 16 years, commencing on the first day of the term period. Interest shall be calculated at the prime rate, (but not less than 0% and not higher than 2.95%) as detailed in the loan documents. The outstanding balance as of June 30, 2025 is \$4,105,117.
7. *Home Federal* – On October 1, 2020, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 236-unit senior housing complex. The face amount of the loan agreement is \$2,850,000 and is to be amortized over 16 years, commencing on the first day of the term period. Effective August 2022, the loan was modified to have a maximum borrowing amount of \$3,321,000. Interest shall be calculated at the adjusted interest rate (Prime less 4%, but not less than 0% and not higher than 2.95%) as detailed in the loan documents. The outstanding balance as of June 30, 2025 is \$3,181,451.
8. *Walker & Dunlop, LLC* – On November 1, 2018, Montgomery Village Corporation (an instrumentality of KCDC) issued a note payable to Walker & Dunlop, LLC in the amount of \$11,128,000 for the purchase and rehabilitation of a 384-unit affordable housing complex under HUD’s RAD program. Interest only payments were required through December 1, 2018. Beginning January 1, 2019, monthly payments of \$51,976.98, consisting of 4.4% interest per annum and remaining amounts against principal, shall be made. Any remaining principal and interest shall be due and payable on December 1, 2053. The outstanding balance as of June 30, 2025 is \$10,074,127.
9. *City of Knoxville* – On December 26, 2018, KCDC entered into a deferred payment loan with the City of Knoxville in the amount of \$1,200,000 for the development of 53 units of affordable housing on Clifton Road and Chillicothe Street in Knoxville. This loan will be forgiven over a twenty-year period beginning in fiscal year 2022 (\$60,000 per year) provided that KCDC complies with all terms of the agreement. The outstanding balance as of June 30, 2025 is \$960,000.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

10. *Walker & Dunlop, LLC* – On December 1, 2020, Cagle Terrace Corporation issued a note payable to Walker & Dunlop, LLC in the amount of \$12,000,000 for the rehabilitation of a 212-unit rental assisted affordable housing complex under HUD's RAD program. The note is payable in monthly installments of \$42,195, which include principal and interest of 2.39% per annum. The outstanding balance as of June 30, 2025 is \$10,978,401.
11. *Home Federal* – On September 2, 2021, KHDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing for construction of a Head Start building to provide preschool education for qualified low-income eligible children in the Western Heights neighborhood. The face amount of the loan agreement is \$6,200,000 and \$6,015,926 has been drawn as of June 30, 2025. Interest shall be calculated at the prime rate, (but not less than 4% and not higher than 2.80%) as detailed in the loan documents. The outstanding balance as of June 30, 2025 is \$5,751,302.
12. *Tennessee Housing Trust* – On December 1, 2021, KCDC entered into a deferred payment loan with Tennessee Housing Development Agency in the amount of \$500,000. This loan is forgiven over a five-year period upon the availability of occupancy of Bell Street provided that KCDC complies with all terms of the agreement. The outstanding balance as of June 30, 2025 is \$500,000.
13. *City of Knoxville* – On June 7, 2023, KCDC entered into a loan agreement with the City of Knoxville for TIF eligible public infrastructure improvement project expenses related to the stadium redevelopment area. The \$14,000,000 loan bears no interest and matures June 1, 2066 unless extended or paid in full prior to the maturity date. Loan payments will begin no later than June 1, 2026. The loan is securitized by tax increment revenues. The outstanding balance as of June 30, 2025 is \$14,000,000.
14. *Regions Capital Advantage, Inc.* – On September 21, 2023, KCDC entered into a loan agreement with Regions Capital Advantage, Inc. for TIF eligible public infrastructure improvement project expenses related to the Knoxville South Waterfront Redevelopment and Urban Renewal Plan. The \$30,000,000 note bears interest at the Bloomberg Short-Term Bank Yield Index (BSBY), (but not less than 0%) as detailed in the loan documents. The loan is securitized by tax increment revenues. The outstanding balance as of June 30, 2025, is \$15,003,982.
15. *Tennessee Housing Development Agency* – On August 16, 2023, KCDC entered into a promissory note in the amount of \$1,000,000 with the Tennessee Housing Development Agency ("THDA") for the development of 22-units of affordable housing. Provided that KCDC complies with all terms of the agreement, 20% of the loan will be forgiven 11 years from the completion of the project with subsequent annual reductions of 10%. The outstanding balance as of June 30, 2025 is \$1,000,000.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

Debt amortization is as follows:

	Truist	Pinnacle	Home Federal	First Horizon	Home Federal
2026	\$ 123,158	\$ 254,639	\$ 45,605	\$ 66,033	\$ 54,397
2027	134,419	254,639	68,407	16,837	53,377
2028	138,240	254,639	68,407	-	55,752
2029	45,084	254,639	68,407	-	58,055
2030	-	254,639	68,407	-	60,454
2031-2035	-	1,273,196	342,035	-	1,309,186
2036-2040	-	1,273,196	43,235	-	-
2041-2045	-	1,273,196	-	-	-
2046-2050	-	976,117	-	-	-
2051-2055	-	-	-	-	-
2056-2060	-	-	-	-	-
Total	\$ 440,901	\$ 6,068,900	\$ 704,503	\$ 82,870	\$ 1,591,221

	Home Federal	Home Federal	Walker Dunlop	City of Knoxville	Walker Dunlop
2026	\$ 78,181	\$ 60,172	190,382	\$ 60,000	\$ 246,649
2027	80,635	62,004	198,336	60,000	252,609
2028	83,046	63,858	206,623	60,000	258,713
2029	85,529	65,767	215,255	60,000	264,964
2030	88,087	67,734	224,228	60,000	271,366
2031-2035	481,555	370,289	1,269,854	300,000	1,458,417
2036-2040	557,989	429,062	1,558,233	300,000	1,643,343
2041-2045	646,555	497,165	1,912,102	60,000	1,851,718
2046-2050	749,178	576,077	2,346,333	-	2,086,514
2051-2055	1,254,362	989,323	1,952,781	-	2,351,083
2056-2060	-	-	-	-	293,025
Total	\$ 4,105,117	\$ 3,181,451	\$ 10,074,127	\$ 960,000	\$ 10,978,401

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

	<u>Home Federal</u>	<u>Tennessee Housing Trust</u>	<u>City of Knoxville</u>	<u>Regions</u>	<u>THDA</u>	<u>Total</u>
2026	\$ 133,069	\$ -	\$ 700,000	\$ 866,853	\$ -	\$ 2,879,138
2027	144,715	100,000	700,000	866,883	-	2,992,861
2028	148,675	100,000	700,000	866,868	-	3,004,821
2029	152,891	100,000	700,000	866,868	-	2,937,459
2030	157,228	100,000	700,000	866,868		2,919,011
2031-2035	855,612	100,000	3,500,000	4,334,340	200,000	15,794,484
2036-2040	4,159,112	-	3,500,000	4,334,340	500,000	18,298,510
2041-2045	-	-	3,500,000	2,000,963	300,000	12,041,699
2046-2050	-	-	-	-	-	6,734,219
2051-2055	-	-	-	-	-	6,547,549
2056-2060	-	-	-	-	-	293,025
Total	<u>\$ 5,751,302</u>	<u>\$ 500,000</u>	<u>\$ 14,000,000</u>	<u>\$ 15,003,983</u>	<u>\$ 1,000,000</u>	<u>\$ 74,442,776</u>

Tax Increment Financing – The Housing Authority as the Redevelopment agency for the City of Knoxville has entered into tax increment financing agreements between various developers and various financial institutions to help developers secure financing within the redevelopment area. The debt is non-recourse debt to KCDC. These agreements are designed to give developers an incentive to redevelop vacant downtown property. The tax increment financing agreement is between KCDC, the developer, and the financial institution. The property tax payments as well as the equity in the property are used as collateral as well as the developer’s personal guarantee on the loan. The following table reflects tax increment financing agreements in existence as of June 30, 2025 which have been issued by KCDC:

<u>TIF Project</u>	<u>Redevelopment Plan Area</u>	<u>TIF Note</u>		<u>June 30, 2025</u>		<u>Project Total</u>
		<u>Approval Date</u>	<u>TIF Amount</u>	<u>Balance</u>		
1 Commerce Bldg	Jackson/Depot	1/20/2006	\$ 735,000	\$ 7,236	\$ 6,100,000	
2 Mast General	Gay Street	8/3/2007	1,441,802	291,421	6,401,000	
3 500 Block	Gay Street	9/12/2008	812,500	-	4,908,189	
4 SE Glass Bldg	Jackson/Depot	5/27/2009	460,123	-	4,103,976	
5 Daylight Bldg	Central Business District West	10/1/2009	959,000	104,137	6,745,000	
6 5th Ave/Matisse	Downtown North/ 275 Corridor	11/13/2009	356,000	-	3,734,762	
7 Landings Ph1	Northside Waterfront	2/17/2010	1,500,000	-	28,240,321	
8 Harold’s Bldg	Jackson/Depot	4/15/2010	129,000	4,339	847,866	
9 Arnstein Bldg	Historic Market Square	12/20/2011	1,145,000	170,133	8,515,000	
10 University Commons	University Commons	12/21/2012	10,000,000	6,677,177	62,000,000	
11 Landings Ph2	Northside Waterfront	12/31/2012	715,000	-	See item 7	
12 JC Penney Bldg	Gay Street	11/14/2013	1,150,000	420,684	7,361,000	
13 Magnolia Urban Village	Jackson/Depot	8/4/2014	225,000	49,367	2,100,000	
14 Next Step Development	Magnolia Avenue Warehouse District	12/1/2015	539,000	341,755	4,792,939	
15 MEWS2	Central Business District West	6/23/2016	350,000	222,523	3,480,000	
16 DRT Tombras	Gay Street	6/30/2016	1,650,000	1,196,069	9,700,000	
17 Riverwalk	South Waterfront	12/29/2016	22,000,000	12,124,948	139,000,000	
18 Regas Bldg	Jackson/Depot	1/27/2017	4,950,000	3,386,842	35,101,798	
19 South Waterfront	South Waterfront	9/21/2023	30,000,000	15,003,982	139,000,000	

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of KCDC. The South Waterfront TIF related debt is recorded as an obligation of KCDC because KCDC is the debt holder but not the guarantor as KCDC operates as the TIF administrator for the City of Knoxville and Knox County. KCDC is the administrator of the TIF proceeds for this project. KCDC also is the administrator of the loan, submits draw requests, and pays all vendor invoices for the project.

Note 11—Other liabilities

	<u>Current</u>	<u>Long-Term</u>
FSS participant escrows	\$ 70,120	\$ 202,347
Utilities	405,953	-
Other liabilities	761,285	-
Total other liabilities	<u>\$ 1,237,358</u>	<u>\$ 202,347</u>

Note 12—Schedule of changes in noncurrent liabilities

	<u>Balance at 7/1/2024, as restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 6/30/2025</u>	<u>Due Within One Year</u>
Notes payable	\$ 76,570,400	\$ 9,068,919	\$ (11,196,543)	\$ 74,442,776	\$ 2,879,138
Compensated absences	2,062,648	399,862 *	-	2,462,510	812,628
Subscription liability	415,361	-	(378,997)	36,364	36,364
Other long term liabilities	2,267,828	-	(828,123)	1,439,705	1,237,358
Total	<u>\$ 81,316,237</u>	<u>\$ 9,468,781</u>	<u>\$ (12,403,663)</u>	<u>\$ 78,381,355</u>	<u>\$ 4,965,488</u>

* The change in compensated absences liability is presented as a net change

Note 13—Correction of an error in previously issued financial statements

During the year ended June 30, 2025, KCDC determined that a forgivable loan previously reported as grant revenues should be reclassified as long-term debt until such time as the conditions for forgiveness are met. Beginning net position was decreased and long-term debt was increased by \$1,000,000. See Tennessee Housing Development Agency debt in Note 10.

Note 14—Annual contributions by federal agencies

Low Rent Public Housing (ACC A-2571) – Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy for low-rent public housing. The operating subsidy contributions for the year ended June 30, 2025 were \$1,507,995. HUD also contributed additional funds through the Capital fund for modernization and operations in the amount of \$259,554.

Section 8 Rental Assistance – Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. KCDC is also eligible to receive reimbursement for preliminary expenses prior to lease up.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 14—Annual contributions by federal agencies (continued)

Section 8 contributions for the year ended June 30, 2025 were as follows:

Housing Choice Voucher Cluster	\$ 4,208,073
Section 8 Project Based Cluster	10,959,241
Family Self Sufficiency Program	<u>44,299</u>
Total annual contributions by federal agencies	<u>\$ 15,211,613</u>

Moving to Work Program (“MTW”) - is a demonstration program to design and test innovative, locally designed housing and self-sufficiency initiatives in the Section 8 Housing Choice Voucher (HCVP) and federal public housing programs. Contributions under MTW for the year ended June 30, 2025 were \$30,898,766.

Other Federal Revenue – Other federal revenues for the year ended June 30, 2025 are reported on the Schedule of expenditures of Federal Awards schedule contained in this report.

Note 15—Defined contribution plan

KCDC provides retirement benefits for all its full-time employees through a defined contribution plan entitled Housing Authority Retirement Trust (“HART”). The plan is administered by Automatic Data Processing, a third party administrator. In this plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The HART Trustees are authorized to establish and amend plan benefits. Employees are eligible to participate six months after the date of employment. KCDC contributes approximately 12.8% of the employee’s base salary each month for employees hired prior to November 1, 2006. For employees hired after October 31, 2006, the employer contribution is 8.8%, while the employee has no required contribution. KCDC’s contributions for each employee (and interest allocated to the employee’s account) are fully vested after five years of continuous service. KCDC contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce KCDC’s current period contribution requirement.

KCDC’s total payroll in fiscal year 2025 was \$9,484,938. Payroll covered by the pension plan was \$7,928,380. KCDC made the required contributions amounting to \$803,966, and employees made elective contributions of \$23,342.

Note 16—Postemployment health plan benefits

KCDC provides for the accumulation of tax-free monies to be used for health related costs in a benefit plan known as the “Post Employment Health Plan” (“PEHP”) administered by Nationwide.

KCDC contributes a fixed amount of \$20 per month to each participating employee’s universal PEHP account. All regular, full-time employees are enrolled in the plan on the first day of the month following completion of three years of service. Benefits and options are outlined in literature made public by Nationwide or may be accessed on--ine at www.nrsforu.com. Contributions to the PEHP are determined by the Board of Commissioners of KCDC. PEHP benefits available to KCDC employees are established and amended by the PEHP trustees.

KCDC funds the PEHP program in a fixed amount per month per participant and has met all financial obligations of the PEHP. Additionally, KCDC has accrued a liability for PEHP which relate to sick leave conversions which may become available in the future. The employees do not contribute to this plan.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 17—Other postemployment benefits (OPEB)

KCDC offers health insurance coverage to eligible retired employees under age 65 through the Local Government OPEB Plan (LGOP), which is administered by the Tennessee Department of Finance and Administration. Retirees receive the same medical benefits as active employees, with premiums based on a blended rate that reflects the cost of all participants. This results in an implicit subsidy for retirees. The LGOP operates on a pay-as-you-go basis, and no separate trust has been established for funding. KCDC does not subsidize or pay premiums for retirees, nor is it obligated to cover any shortfall in the plan's value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, the State of Tennessee requires entities to disclose information about the Plan. However, since the number of employees and implied expense and implied liability are considered immaterial, KCDC has excluded them from its financial statements for the year ended June 30, 2025.

Note 18—Economic dependency

KCDC receives approximately 59% of its revenue from HUD. If the amount of revenues received from HUD falls below critical levels, KCDC's reserves could be adversely affected.

Note 19—Contingencies

KCDC is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to KCDC in the current and prior years. Three of KCDC's multi-family housing projects received management and occupancy reviews by HUD. Corrective actions have been undertaken for issues raised by these reviews. Under the terms of Guaranty Agreements with its discretely presented component unit limited partnerships, KCDC is guarantor for liabilities arising from nonperformance by the general partners regarding development, unfunded debt obligations, and liquidity. These agreements require KCDC to maintain minimum liquidity amounts ranging from \$250,000 to \$7,500,000.

KCDC is a defendant in various lawsuits and has retained outside counsel to vigorously defend such litigation. The outcome of these cases is currently indeterminable and, therefore, management believes that it is unlikely that resolution of these matters will have a material, adverse effect on the financial condition of KCDC.

Note 20—Commitments

KCDC is engaged in modernization programs funded by HUD and other sources. In this regard, KCDC has entered into construction-type contracts with approximately \$9,179,175 remaining until completion.

Annual Contribution Contracts provide that HUD shall have authority to audit and examine the records of public housing authorities. Accordingly, final determination of KCDC's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by KCDC.

Note 21—Leasing activities to tenants

KCDC is the lessor of dwelling units mainly to low-income residents. These leases are generally considered to be short-term and do not derive from exchange or exchange-like transactions. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. KCDC may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year but is affected by general economic conditions which impact personal income and local job availability.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 22—Lease receivable

In 2005, KCDC began leasing certain property to a third party. The initial lease term is for a period of 25 years, with payments due monthly to KCDC in the amount of \$13,577; the assumed interest rate is 3%. At the end of this 25-year period, the lessee may continue to lease the building under the same terms, except the payment is adjusted to \$1,000 per year. This additional period has not been included in the measurement of the lease because KCDC is not reasonably certain that the extension will be executed.

In 2022, KCDC began leasing certain property to a third party. The initial lease term is for a period of 15 years, with payments in year 1-2 due monthly to KCDC in the amount of \$25,000; in years 3-15 the monthly amount of \$25,300; the assumed interest rate is 2.8%.

As of June 30, 2025, the KCDC’s lease receivable and related deferred inflow balance were both \$3,877,938. No variable payments were received.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 361,294	\$ 105,232	\$ 466,526
2027	371,837	94,689	466,526
2028	382,688	83,838	466,526
2029	393,855	72,671	466,526
2030	337,115	68,487	405,602
2031-2035	1,322,518	195,482	1,518,000
2036-2038	708,631	25,069	733,700
Total	<u>\$ 3,877,938</u>	<u>\$ 645,468</u>	<u>\$ 4,523,406</u>

Note 23—Interprogram transfers

KCDC will make cash transfers to and between its various programs as outlined in the Federal Regulations and authorized and approved by KCDC’s Board of Commissioners. All these programs are part of the Enterprise Fund, therefore, there are no interfund transfers.

Note 24—Subscription liability (“SBITA”)

During the year ended June 30, 2021, KCDC entered into an agreement with a vendor to allow KCDC to use their cloud-based accounting, compliance, and agency management technology solution. The agreement is for a term of five years beginning March 2021, with payments made on a yearly basis after implementation. The agreement has an assumed interest rate of 3.0%. As of June 30, 2025, the value of the subscription liability is \$30,549.

During the year ended June 30, 2023, KCDC entered into an agreement with a vendor to allow KCDC to use their anti-virus software. The agreement is for a term of three years beginning September 2022, with payments made on a monthly basis after implementation. The agreement has an assumed interest rate of 7.0% as of June 30, 2025, the value of the subscription liability as \$5,815.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 24—Subscription liability (“SBITA”) (continued)

The future principal and interest payments required under the SBITA are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 36,364	\$ 51	\$ 36,415

Note 25—Conduit debt

To further economic development, KCDC has issued bonds that provide capital financing to private sector entities for the acquisition and construction of residential facilities. The properties financed are pledged as collateral and the bonds are payable solely from payments received from the private sector entities on the underlying mortgage or promissory notes. A KCDC blended component unit is a minority partner in the private sector entities. Other than a minority interest, no commitments beyond the collateral, the payments from the private sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by KCDC for any of those bonds. At June 30, 2025, the bonds have an aggregate outstanding principal amount payable as follows:

Hardin Valley	\$ 21,087,000
525 Flats	108,000
Bluegrass Apartments	16,014,481
Willow Square	19,000,000
Grosvenor Square	30,000,000
Total conduit debt	<u>\$ 86,209,481</u>

Note 26—Subsequent events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of KCDC through December 10, 2025, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Note 27—Special items

Special items loss of \$8,684,879 is the result of a transfer of infrastructure assets from a redeveloped neighborhood (Five Points and Austin Homes) to the City of Knoxville. The infrastructure assets consist of municipal roads which the City will own and maintain.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
ASSETS						
Current assets - Due to KCDC	\$ 53,067	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	37,128,349	26,247,202	-	-	4,196,980	3,441,568
Capital assets, net	39,552,054	32,607,770	-	-	-	-
Noncurrent assets - Due to KCDC	548,233	-	-	-	-	-
Noncurrent assets - other	16,980,046	39,225,303	159,294	3,599,586	70,642	521,267
Total Assets	<u>94,261,749</u>	<u>98,080,275</u>	<u>159,294</u>	<u>3,599,586</u>	<u>4,267,622</u>	<u>3,962,835</u>
Deferred outflows of resources						
Total Assets and Deferred	-	4,576,992	-	-	-	-
Total Outflows of Resources	<u>\$ 94,261,749</u>	<u>\$ 102,657,267</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,962,835</u>
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities - other	5,608,631	5,142,585	-	-	-	-
Noncurrent liabilities - KCDC	-	548,233	-	-	-	-
Noncurrent liabilities - other	29,112,160	23,098,981	-	-	-	500,000
Total Liabilities	34,720,791	28,789,799	-	-	-	500,000
Deferred inflows of resources	14,400,000	11,162,946	-	-	-	-
Total Liabilities and Deferred	49,120,791	39,952,745	-	-	-	500,000
Total Inflows of Resources	<u>\$ 49,120,791</u>	<u>\$ 39,952,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>
Net position						
Net investment in capital assets	\$ 29,771,031	\$ 18,729,230	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	7,858,331	275,790	-	-	118,850	-
Unrestricted net position (deficit)	7,511,596	43,699,502	159,294	3,599,586	4,148,772	3,462,835
Total Net Position	<u>\$ 45,140,958</u>	<u>\$ 62,704,522</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,462,835</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 94,261,749</u>	<u>\$ 102,657,267</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,962,835</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	3,038,905	718,549	-	(29,852)	-	-
Capital assets, net	5,227,498	-	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	-	-	2,283,148	559,504	3,858,748	1,618,348
Total Assets	8,266,403	718,549	2,283,148	529,652	3,858,748	1,618,348
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	\$ 8,266,403	\$ 718,549	\$ 2,283,148	\$ 529,652	\$ 3,858,748	\$ 1,618,348
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	555,105	5,306	-	-	-	-
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	10,769,206	-	-	-	-	-
Total Liabilities	11,324,311	5,306	-	-	-	-
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	\$ 11,324,311	\$ 5,306	\$ -	\$ -	\$ -	\$ -
Net position						
Net investment in capital assets	\$ (5,750,903)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	1,620,585	18,065	-	-	-	-
Unrestricted net position (deficit)	1,072,410	695,178	2,283,148	529,652	3,858,748	1,618,348
Total Net Position	(3,057,908)	713,243	2,283,148	529,652	3,858,748	1,618,348
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,266,403	\$ 718,549	\$ 2,283,148	\$ 529,652	\$ 3,858,748	\$ 1,618,348

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	-	-	-	-	-	523,572
Capital assets, net	-	-	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	3,654,864	(558)	-	(558)	49	4,143,954
Total Assets	3,654,864	(558)	-	(558)	49	4,667,526
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	\$ 3,654,864	\$ (558)	\$ -	\$ (558)	\$ 49	\$ 4,667,526
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	-	521	-	-	4,000
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	-	-	-	-	-
Total Liabilities	-	-	521	-	-	4,000
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	\$ -	\$ -	\$ 521	\$ -	\$ -	\$ 4,000
Net position						
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	-	-	-	-	-	-
Unrestricted net position (deficit)	3,654,864	(558)	(521)	(558)	49	4,663,526
Total Net Position	3,654,864	(558)	(521)	(558)	49	4,663,526
Total Liabilities, Deferred Inflows of Resources, and Net Position	3,654,864	(558)	-	(558)	49	4,667,526

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Homes Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	-	3,254,989	-	-	-	-
Capital assets, net	-	4,714,521	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	(17)	-	20,019,477	4,921,044	10,558	21,006
Total Assets	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	551,825	17,809	-	-	-
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	9,935,520	-	-	-	-
Total Liabilities	-	10,487,345	17,809	-	-	-
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	-	10,487,345	17,809	-	-	-
Net position						
Net investment in capital assets	\$ -	\$ (5,359,606)	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	-	1,866,035	-	-	-	-
Unrestricted net position (deficit)	(17)	975,736	20,001,668	4,921,044	10,558	21,006
Total Net Position	(17)	(2,517,835)	20,001,668	4,921,044	10,558	21,006
Total Liabilities, Deferred Inflows of Resources, and Net Position	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	638,011	203,901	-	-	2,242,625	-
Capital assets, net	-	-	360,751	294,666	-	8,000
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	126,385	609,794	-	-	17,834,794	-
Total Assets	<u>764,396</u>	<u>813,695</u>	<u>360,751</u>	<u>294,666</u>	<u>20,077,419</u>	<u>8,000</u>
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	<u>\$ 764,396</u>	<u>\$ 813,695</u>	<u>\$ 360,751</u>	<u>\$ 294,666</u>	<u>\$ 20,077,419</u>	<u>\$ 8,000</u>
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ 53,067	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	-	175,313	86,781	-	8,000
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	-	-	-	-	-
Total Liabilities	-	53,067	175,313	86,781	-	8,000
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 53,067</u>	<u>\$ 175,313</u>	<u>\$ 86,781</u>	<u>\$ -</u>	<u>\$ 8,000</u>
Net position						
Net investment in capital assets	\$ -	\$ -	\$ 185,438	\$ 207,885	\$ -	\$ 8,000
Restricted by program requirements	-	50,638	-	-	-	-
Unrestricted net position (deficit)	764,396	709,990	-	-	20,077,419	(8,000)
Total Net Position	<u>\$ 764,396</u>	<u>\$ 760,628</u>	<u>\$ 185,438</u>	<u>\$ 207,885</u>	<u>\$ 20,077,419</u>	<u>\$ -</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 764,396</u>	<u>\$ 813,695</u>	<u>\$ 360,751</u>	<u>\$ 294,666</u>	<u>\$ 20,077,419</u>	<u>\$ 8,000</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
ASSETS		
Current assets - Due to KCDC	\$ -	\$ 53,067
Current assets - other	-	81,604,799
Capital assets, net	-	82,765,260
Noncurrent assets - Due to KCDC	-	548,233
Noncurrent assets - other	31	120,216,709
Total Assets	31	285,188,068
Deferred outflows of resources	-	4,576,992
Total Assets and Deferred Outflows of Resources	\$ 31	\$ 289,765,060
LIABILITIES		
Current liabilities - KCDC	\$ -	\$ 53,067
Current liabilities	-	12,155,876
Noncurrent liabilities - KCDC	-	548,233
Noncurrent liabilities	-	73,415,867
Total Liabilities	-	86,173,043
Deferred inflows of resources	-	25,562,946
Total Liabilities and Deferred Inflows of Resources	\$ -	\$ 111,735,989
Net position		
Net investment in capital assets	\$ -	\$ 37,791,075
Restricted by program requirements	-	11,808,294
Unrestricted net position (deficit)	31	128,429,702
Total Net Position	\$ 31	\$ 178,029,071
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 31	\$ 289,765,060

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
Operating Revenues:						
Operating revenues	\$ 3,988,068	\$ 196,317	\$ -	\$ -	\$ -	\$ -
HUD grants	48,308,085	703,718	-	-	-	-
Other governmental grants	7,269,732	8,061,053	-	-	-	-
Other revenue	2,664,555	1,507,040	318,588	317,803	2,519,971	256,787
Total Operating Revenues:	<u>62,230,440</u>	<u>10,468,128</u>	<u>318,588</u>	<u>317,803</u>	<u>2,519,971</u>	<u>256,787</u>
Operating Expenses:						
Operating expenses	53,833,687	267,802	67	83	413,278	(55,306)
Depreciation and amortization	4,686,269	747,374	-	-	-	-
Total Operating Expenses:	<u>58,519,956</u>	<u>1,015,176</u>	<u>67</u>	<u>83</u>	<u>413,278</u>	<u>(55,306)</u>
Operating income (loss)	<u>3,710,484</u>	<u>9,452,952</u>	<u>318,521</u>	<u>317,720</u>	<u>2,106,693</u>	<u>312,093</u>
Nonoperating revenues (expenses)	2,255,950	(683,410)	-	-	70,642	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(8,227,332)	14,482,489	(159,227)	(317,782)	(8,697,633)	(889,324)
Special item	(8,684,879)	-	-	-	-	-
Increase (decrease) in net position	<u>(10,945,777)</u>	<u>23,252,031</u>	<u>159,294</u>	<u>(62)</u>	<u>(6,520,298)</u>	<u>(577,231)</u>
Net position, beginning of year, as previously reported	57,086,735	39,452,491	-	3,599,648	10,787,920	4,040,066
Restatement - error correction (Note 13)	(1,000,000)	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>56,086,735</u>	<u>39,452,491</u>	<u>-</u>	<u>3,599,648</u>	<u>10,787,920</u>	<u>4,040,066</u>
Net position, end of year	<u>\$ 45,140,958</u>	<u>\$ 62,704,522</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,462,835</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
Operating Revenues:						
Operating revenues	\$ 1,044,085	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	1,940,225	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	60,449	315,640	13,148	43,040	286,912	48,401
Total Operating Revenues:	<u>3,044,759</u>	<u>315,640</u>	<u>13,148</u>	<u>43,040</u>	<u>286,912</u>	<u>48,401</u>
Operating Expenses:						
Operating expenses	1,649,195	45,275	212	276	86	77
Depreciation and amortization	764,733	-	-	-	-	-
Total Operating Expenses:	<u>2,413,928</u>	<u>45,275</u>	<u>212</u>	<u>276</u>	<u>86</u>	<u>77</u>
Operating income (loss)	<u>630,831</u>	<u>270,365</u>	<u>12,936</u>	<u>42,764</u>	<u>286,826</u>	<u>48,324</u>
Nonoperating revenues (expenses)	(292,754)	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	-	-	2,270,212	(153,858)	9	120
Special item	-	-	-	-	-	-
Increase (decrease) in net position	<u>338,077</u>	<u>270,365</u>	<u>2,283,148</u>	<u>(111,094)</u>	<u>286,835</u>	<u>48,444</u>
Net position, beginning of year, as previously reported	(3,395,985)	442,878	-	640,746	3,571,913	1,569,904
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>(3,395,985)</u>	<u>442,878</u>	<u>-</u>	<u>640,746</u>	<u>3,571,913</u>	<u>1,569,904</u>
Net position, end of year	<u>\$ (3,057,908)</u>	<u>\$ 713,243</u>	<u>\$ 2,283,148</u>	<u>\$ 529,652</u>	<u>\$ 3,858,748</u>	<u>\$ 1,618,348</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
Operating Revenues:						
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	-	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	278,289	-	165,243	-	391,024	287,171
Total Operating Revenues:	<u>278,289</u>	<u>-</u>	<u>165,243</u>	<u>-</u>	<u>391,024</u>	<u>287,171</u>
Operating Expenses:						
Operating expenses	16,202	20	3,194	41	195	8,332
Depreciation and amortization	-	-	-	-	-	-
Total Operating Expenses:	<u>16,202</u>	<u>20</u>	<u>3,194</u>	<u>41</u>	<u>195</u>	<u>8,332</u>
Operating income (loss)	<u>262,087</u>	<u>(20)</u>	<u>162,049</u>	<u>(41)</u>	<u>390,829</u>	<u>278,839</u>
Nonoperating revenues (expenses)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	16,202	20	(364,871)	41	(390,832)	3,200,585
Special item	-	-	-	-	-	-
Increase (decrease) in net position	<u>278,289</u>	<u>-</u>	<u>(202,822)</u>	<u>-</u>	<u>(3)</u>	<u>3,479,424</u>
Net position, beginning of year, as previously reported	3,376,575	(558)	202,301	(558)	52	1,184,102
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>3,376,575</u>	<u>(558)</u>	<u>202,301</u>	<u>(558)</u>	<u>52</u>	<u>1,184,102</u>
Net position, end of year	<u>\$ 3,654,864</u>	<u>\$ (558)</u>	<u>\$ (521)</u>	<u>\$ (558)</u>	<u>\$ 49</u>	<u>\$ 4,663,526</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Housing Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
Operating Revenues:						
Operating revenues	\$ -	\$ 913,532	\$ -	\$ -	\$ -	\$ -
HUD grants	-	2,752,704	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	189,527	402,262	553,198	-	33	22
Total Operating Revenues:	189,527	4,068,498	553,198	-	33	22
Operating Expenses:						
Operating expenses	38	2,757,472	17,939	255	20	20
Depreciation and amortization	-	1,322,182	-	-	-	-
Total Operating Expenses:	38	4,079,654	17,939	255	20	20
Operating income (loss)	189,489	(11,156)	535,259	(255)	13	2
Nonoperating revenues (expenses)	-	(437,423)	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(189,506)	(56,164)	(34,570)	225	20	20
Special item	-	-	-	-	-	-
Increase (decrease) in net position	(17)	(504,743)	500,689	(30)	33	22
Net position, beginning of year, as previously reported	-	(2,013,092)	19,500,979	4,921,074	10,525	20,984
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	-	(2,013,092)	19,500,979	4,921,074	10,525	20,984
Net position, end of year	\$ (17)	\$ (2,517,835)	\$ 20,001,668	\$ 4,921,044	\$ 10,558	\$ 21,006

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
Operating Revenues:						
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	-	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	610,717	313,655	-	-	850,780	-
Total Operating Revenues:	610,717	313,655	-	-	850,780	-
Operating Expenses:						
Operating expenses	7,279	5,243	210	41	64,897	-
Depreciation and amortization	-	-	-	-	-	-
Total Operating Expenses:	7,279	5,243	210	41	64,897	-
Operating income (loss)	603,438	308,412	(210)	(41)	785,883	-
Nonoperating revenues (expenses)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(209,098)	414,171	126,550	207,926	(937,571)	-
Special item	-	-	-	-	-	-
Increase (decrease) in net position	394,340	722,583	126,340	207,885	(151,688)	-
Net position, beginning of year, as previously reported	370,056	38,045	59,098	-	20,229,107	-
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	370,056	38,045	59,098	-	20,229,107	-
Net position, end of year	\$ 764,396	\$ 760,628	\$ 185,438	\$ 207,885	\$ 20,077,419	\$ -

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
Operating Revenues:		
Operating revenues	\$ -	\$ 6,142,002
HUD grants	-	53,704,732
Other governmental grants	-	15,330,785
Other revenue	90,842	12,485,097
Total Operating Revenues:	<u>90,842</u>	<u>87,662,616</u>
Operating Expenses:		
Operating expenses	23	59,036,153
Depreciation and amortization	-	7,520,558
Total Operating Expenses:	<u>23</u>	<u>66,556,711</u>
Operating income (loss)	<u>90,819</u>	<u>21,105,905</u>
Nonoperating revenues (expenses)	-	913,005
Capital contributions	-	-
Transfers from (to)	(90,822)	-
Special item	-	(8,684,879)
Increase (decrease) in net position	<u>(3)</u>	<u>13,334,031</u>
Net position, beginning of year, as previously reported	34	165,695,040
Restatement - error correction (Note 13)	-	(1,000,000)
Net position, beginning of year, as adjusted	<u>34</u>	<u>164,695,040</u>
Net position, end of year	<u>\$ 31</u>	<u>\$ 178,029,071</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
Net cash flows from operating activities	\$ 23,484,290	\$ 5,307,636	\$ -	\$ -	\$ (9,110,912)	\$ -
Net cash flows from investing activities	438,986	(14,549,005)	-	-	-	(50,000)
Net cash flows from capital and related financing activities	(17,737,338)	3,231,351	-	-	-	50,000
Net change in cash	6,185,938	(6,010,018)	-	-	(9,110,912)	-
Cash, beginning of year	14,339,354	10,037,681	-	-	9,229,762	-
Cash, end of year	<u>\$ 20,525,292</u>	<u>\$ 4,027,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,850</u>	<u>\$ -</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
Net cash flows from operating activities	\$ 1,441,312	\$ 254,907	\$ 2,270,000	\$ (78,828)	\$ -	\$ -
Net cash flows from investing activities	-	-	(2,270,000)	48,976	-	-
Net cash flows from capital and related financing activities	(554,013)	-	-	-	-	-
Net change in cash	887,299	254,907	-	(29,852)	-	-
Cash, beginning of year	2,017,769	463,642	-	-	-	-
Cash, end of year	<u>\$ 2,905,068</u>	<u>\$ 718,549</u>	<u>\$ -</u>	<u>\$ (29,852)</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
Net cash flows from operating activities	\$ -	\$ -	\$ (222,301)	\$ -	\$ -	\$ 3,000,000
Net cash flows from investing activities	-	-	-	-	-	(3,000,000)
Net cash flows from capital and related financing activities	-	-	-	-	-	-
Net change in cash	-	-	(222,301)	-	-	-
Cash, beginning of year	-	-	222,301	-	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Housing Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
Net cash flows from operating activities	\$ -	\$ 788,772	\$ -	\$ -	\$ -	\$ -
Net cash flows from investing activities	-	-	-	-	-	-
Net cash flows from capital and related financing activities	-	(499,795)	-	-	-	-
Net change in cash	-	288,977	-	-	-	-
Cash, beginning of year	-	2,281,572	-	-	-	-
Cash, end of year	\$ -	\$ 2,570,549	\$ -	\$ -	\$ -	\$ -

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
Net cash flows from operating activities	\$ -	\$ 660,391	\$ 360,751	\$ 294,666	\$ -	\$ 8,000
Net cash flows from investing activities	-	(609,754)	-	-	-	-
Net cash flows from capital and related financing activities	-	-	(360,751)	(294,666)	-	(8,000)
Net change in cash	-	50,637	-	-	-	-
Cash, beginning of year	-	-	-	-	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ 50,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
Net cash flows from operating activities	\$ -	\$ 28,458,684
Net cash flows from investing activities	-	(19,990,797)
Net cash flows from capital and related financing activities	-	(16,173,212)
Net change in cash	-	(7,705,325)
Cash, beginning of year	-	38,592,081
Cash, end of year	<u>\$ -</u>	<u>\$ 30,886,756</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units

	<u>Lonsdale</u>	<u>North Ridge</u>	<u>Vista</u>	<u>Eastport</u>	<u>Five Points 1</u>	<u>Five Points 2</u>	<u>Five Points 3</u>
ASSETS							
Current assets	\$ 2,760,965	\$ 2,323,747	\$ 1,466,382	\$ 604,479	\$ 1,095,456	\$ 759,926	\$ 605,947
Capital assets, net	13,185,837	15,149,276	9,367,423	5,883,638	8,072,257	12,301,609	12,771,065
Noncurrent assets	1,253,287	729,076	887,563	7,480	59,851	66,746	75,340
Total Assets	\$ 17,200,089	\$ 18,202,099	\$ 11,721,368	\$ 6,495,597	\$ 9,227,564	\$ 13,128,281	\$ 13,452,352
LIABILITIES							
Current liabilities	\$ 1,251,931	\$ 2,649,014	\$ 1,137,677	\$ 159,126	\$ 144,114	\$ 1,763,885	\$ 490,368
Noncurrent liabilities - KCDC	6,640,841	5,240,580	5,007,768	4,995,231	489,760	2,327,136	1,407,879
Noncurrent liabilities - other	6,411,190	6,346,826	4,462,816	-	-	3,009,027	2,208,707
Total Liabilities	\$ 14,303,962	\$ 14,236,420	\$ 10,608,261	\$ 5,154,357	\$ 633,874	\$ 7,100,048	\$ 4,106,954
Net position:							
Net investment in capital assets	\$ 43,907	\$ 3,466,482	\$ (170,478)	\$ 888,407	\$ 7,582,497	\$ 6,905,757	\$ 9,114,407
Restricted by program requirements	1,569,364	1,588,265	1,054,431	476,175	501,052	555,822	440,353
Unrestricted net position (deficit)	1,282,856	(1,089,068)	229,154	(23,342)	510,141	(1,433,346)	(209,362)
Total Net Position	\$ 2,896,127	\$ 3,965,679	\$ 1,113,107	\$ 1,341,240	\$ 8,593,690	\$ 6,028,233	\$ 9,345,398
Total Liabilities and Net Position	\$ 17,200,089	\$ 18,202,099	\$ 11,721,368	\$ 6,495,597	\$ 9,227,564	\$ 13,128,281	\$ 13,452,352

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units (continued)

	Five Points 4	Bell Street	Bell Street 2	Bell Street 3	Western Heights	Western Heights 1	Liberty Place	Total
ASSETS								
Current assets	\$ 866,871	\$ 747,050	\$ 374	\$ 850,683	\$ 9,335,138	\$ -	\$ 34,769	\$ 21,451,787
Capital assets, net	14,847,901	26,166,073	17,491,146	42,026,664	22,406,500	9,183,083	14,197,270	223,049,742
Noncurrent assets	83,443	142,938	-	2,154,443	-	-	767,385	6,227,552
Total Assets	\$ 15,798,215	\$ 27,056,061	\$ 17,491,520	\$ 45,031,790	\$ 31,741,638	\$ 9,183,083	\$ 14,999,424	\$ 250,729,081
LIABILITIES								
Current liabilities	\$ 2,073,685	\$ 360,167	\$ 6,854,751	\$ 6,180,422	\$ 3,909,977	\$ 2,895,028	\$ 2,858,913	\$ 32,729,058
Noncurrent liabilities - KCDC	2,602,749	529,579	6,409,291	6,824,911	-	3,508,255	5,021,673	51,005,653
Noncurrent liabilities - other	3,959,528	6,174,413	1,412,113	28,211,903	25,788,284	-	5,270,980	93,255,787
Total Liabilities	\$ 8,635,962	\$ 7,064,159	\$ 14,676,155	\$ 41,217,236	\$ 29,698,261	\$ 6,403,283	\$ 13,151,566	\$ 176,990,498
Net position:								
Net investment in capital assets	\$ 8,214,572	\$ 19,246,081	\$ 2,826,114	\$ 2,148,701	\$ 499,160	\$ 4,261,739	\$ 1,841,284	\$ 66,868,630
Restricted by program requirements	489,317	338,663	374	456,705	(6,270,819)	-	237	1,199,939
Unrestricted net position (deficit)	(1,541,636)	407,158	(11,123)	1,209,148	7,815,036	(1,481,939)	6,337	5,670,014
Total Net Position	\$ 7,162,253	\$ 19,991,902	\$ 2,815,365	\$ 3,814,554	\$ 2,043,377	\$ 2,779,800	\$ 1,847,858	\$ 73,738,583
Total Liabilities and Net Position	\$ 15,798,215	\$ 27,056,061	\$ 17,491,520	\$ 45,031,790	\$ 31,741,638	\$ 9,183,083	\$ 14,999,424	\$ 250,729,081

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units (continued)

	<u>Lonsdale</u>	<u>North Ridge</u>	<u>Vista</u>	<u>Eastport</u>	<u>Five Points 1</u>	<u>Five Points 2</u>	<u>Five Points 3</u>
Operating Revenues:							
Tenant revenue, net of bad debts	\$ 827,823	\$ 969,490	\$ 488,420	\$ 232,753	\$ 298,487	\$ 248,693	\$ 208,769
Other government grants	1,324,058	1,390,337	968,359	213,186	470,646	500,268	437,069
Other revenue	170,720	106,794	55,787	-	2,515	85	-
Total Operating Revenues	<u>2,322,601</u>	<u>2,466,621</u>	<u>1,512,566</u>	<u>445,939</u>	<u>771,648</u>	<u>749,046</u>	<u>645,838</u>
Operating Expenses:							
Administrative	466,862	516,790	311,475	112,755	192,653	151,269	135,737
Tenant service	3,653	18,727	11,467	5,858	9,465	287	275
Utilities	28,748	380,872	189,815	144,364	134,903	219,798	101,465
Maintenance	674,722	616,494	413,807	144,269	140,261	162,827	148,353
Protective services	50,300	51,121	30,433	11,185	11,574	12,532	13,446
Insurance	186,700	187,914	100,967	28,837	47,443	64,266	65,105
General expense	135,742	165,207	62,773	15,134	17,551	17,154	45,437
Depreciation and amortization	449,199	511,015	352,710	255,823	269,991	438,004	427,649
Total Operating Expenses	<u>1,995,926</u>	<u>2,448,140</u>	<u>1,473,447</u>	<u>718,225</u>	<u>823,841</u>	<u>1,066,137</u>	<u>937,467</u>
Net Operating Income (Loss)	<u>326,675</u>	<u>18,481</u>	<u>39,119</u>	<u>(272,286)</u>	<u>(52,193)</u>	<u>(317,091)</u>	<u>(291,629)</u>
Nonoperating Revenues (Expenses):							
Interest income - unrestricted	25,474	26,282	17,583	1,683	6,366	3,241	2,598
Interest income - restricted	381	517	255	9,095	8,108	2,119	1,627
Interest expense	(565,971)	(522,759)	(410,546)	(5,634)	(50,100)	(416,350)	(155,890)
Other nonoperating revenue (expense)	-	(22,116)	-	-	-	-	-
Total Nonoperating Expense, Net	<u>(540,116)</u>	<u>(518,076)</u>	<u>(392,708)</u>	<u>5,144</u>	<u>(35,626)</u>	<u>(410,990)</u>	<u>(151,665)</u>
Partner (distributions) contributions	(3,114)	-	-	-	(2,227)	-	-
Changes in net position	(216,555)	(499,595)	(353,589)	(267,142)	(90,046)	(728,081)	(443,294)
Net position, beginning of year	<u>3,112,682</u>	<u>4,465,274</u>	<u>1,466,696</u>	<u>1,608,382</u>	<u>8,683,736</u>	<u>6,756,314</u>	<u>9,788,692</u>
Net position, end of year	<u>\$ 2,896,127</u>	<u>\$ 3,965,679</u>	<u>\$ 1,113,107</u>	<u>\$ 1,341,240</u>	<u>\$ 8,593,690</u>	<u>\$ 6,028,233</u>	<u>\$ 9,345,398</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units (continued)

	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Bell Street 2</u>	<u>Bell Street 3</u>	<u>Western Heights</u>	<u>Western Heights 1</u>	<u>Liberty Place</u>	<u>Total</u>
Operating Revenues:								
HUD PHA operating grants	\$ 196,370	\$ 786,615	\$ -	\$ 418,837	\$ 318,643	\$ -	\$ -	\$ 4,994,900
Other fees	636,650	415,972	-	187,502	1,961,897	-	-	8,505,944
Other revenue	-	2,180	-	34,084	3,908	-	-	376,073
Total Operating Revenues	<u>833,020</u>	<u>1,204,767</u>	<u>-</u>	<u>640,423</u>	<u>2,284,448</u>	<u>-</u>	<u>-</u>	<u>13,876,917</u>
Operating Expenses:								
Administrative	131,456	235,826	-	207,402	331,873	-	43,446	2,837,544
Tenant service	281	2,724	-	1,324	20,431	-	-	74,492
Utilities	199,975	175,018	-	68,481	512,279	-	-	2,155,718
Maintenance	217,012	220,487	-	89,567	313,893	-	16	3,141,708
Protective services	15,353	17,949	-	8,280	43,615	-	-	265,788
Insurance	63,056	97,178	-	87,348	95,124	-	-	1,023,938
General expense	11,414	30,965	-	128,504	79,482	-	90,000	799,363
Depreciation and amortization	617,297	766,082	-	763,140	411,650	-	38,174	5,300,734
Total Operating Expenses	<u>1,255,844</u>	<u>1,546,229</u>	<u>-</u>	<u>1,354,046</u>	<u>1,808,347</u>	<u>-</u>	<u>171,636</u>	<u>15,599,285</u>
Total Noncurrent Assets	<u>(422,824)</u>	<u>(341,462)</u>	<u>-</u>	<u>(713,623)</u>	<u>476,101</u>	<u>-</u>	<u>(171,636)</u>	<u>(1,722,368)</u>
Nonoperating Revenues (Expenses):								
Interest income - unrestricted	3,481	4,681	-	324,803	307,211	-	-	723,403
Interest income - restricted	1,464	4,998	-	5,233	16,900	-	-	50,697
Interest expense	(448,093)	(195,044)	-	(486,162)	(16,703)	(432)	(75,819)	(3,349,503)
Other nonoperating revenue (expense)	-	-	-	-	(7,370)	-	-	(29,486)
Total Nonoperating Expense, Net	<u>(443,148)</u>	<u>(185,365)</u>	<u>-</u>	<u>(156,126)</u>	<u>300,038</u>	<u>(432)</u>	<u>(75,819)</u>	<u>(2,604,889)</u>
Partner (distributions) contributions	-	-	2,815,365	1,299,571	-	2,780,232	1,103,205	7,993,032
Changes in net position	(865,972)	(526,827)	2,815,365	429,822	776,139	2,779,800	855,750	3,665,775
Net position, beginning of year	8,028,225	20,518,729	-	3,384,732	1,267,238	-	992,108	70,072,808
Net position, end of year	<u>\$ 7,162,253</u>	<u>\$ 19,991,902</u>	<u>\$ 2,815,365</u>	<u>\$ 3,814,554</u>	<u>\$ 2,043,377</u>	<u>\$ 2,779,800</u>	<u>\$ 1,847,858</u>	<u>\$ 73,738,583</u>

SUPPLEMENTARY INFORMATION

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF ACTUAL COSTS FOR THE SPECIFIED PROJECTS

YEAR ENDED JUNE 30, 2025

	<u>TN37E00350117</u>	<u>TN43E00350118</u>	<u>TN43P00350117</u>	<u>TN43P00350119</u>	<u>TN43P00350120</u>	<u>TN43P00350121</u>	<u>TN43P00350122</u>
Funds approved	\$ 4,542,014	\$ 228,635	\$ 4,379,809	\$ 3,986,167	\$ 2,618,963	\$ 2,101,433	\$ 2,583,257
Funds expended	<u>4,542,014</u>	<u>228,635</u>	<u>4,379,809</u>	<u>3,986,167</u>	<u>2,618,963</u>	<u>2,101,433</u>	<u>2,583,257</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>						

The distribution of costs by project as shown on the Performance and Evaluation Report submitted to the Department of HUD for approval is in agreement with the Agency's records.

All costs and related liabilities have been disbursed.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (TN003)
FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
111 Cash - Unrestricted	\$1,105,475	\$125,671				\$10,050	\$1,759,658	\$1,945,386	\$529,131	\$897,930
112 Cash - Restricted - Modernization and Development										\$1,578,267
113 Cash - Other Restricted							\$631,659	\$6,853,624		\$4,131,118
114 Cash - Tenant Security Deposits	\$950							\$244,548		
115 Cash - Restricted for Payment of Current Liabilities							\$70,120			
100 Total Cash	\$1,106,425	\$125,671	\$0	\$0	\$0	\$10,050	\$2,461,437	\$9,043,558	\$529,131	\$6,607,315
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects	\$0		\$710,677		\$24,719		\$98,766	\$61,152		
124 Accounts Receivable - Other Government										\$525,295
125 Accounts Receivable - Miscellaneous	\$1,150							\$20,271	\$1,114,527	\$9,554,349
126 Accounts Receivable - Tenants	\$1,707	\$1,559					\$59,832	\$169,527		
126.1 Allowance for Doubtful Accounts -Tenants	(\$790)	\$0	\$0				\$0	(\$2,593)	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery							\$41,498			
128.1 Allowance for Doubtful Accounts - Fraud							(\$41,367)			
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,067	\$1,559	\$710,677	\$0	\$24,719	\$0	\$158,729	\$248,357	\$1,114,527	\$10,079,644
131 Investments - Unrestricted		\$46,656					\$1,822,916		\$33,999	\$1,352,971
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$15,191						\$7,301	\$253,525		\$5,523
143 Inventories								\$575		
143.1 Allowance for Obsolete Inventories								\$0		
144 Inter Program Due From	\$0						\$29,214		\$1,242,104	\$53,067
145 Assets Held for Sale										\$519,060
150 Total Current Assets	\$1,123,683	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$9,546,015	\$2,919,761	\$18,617,580
161 Land	\$539,660							\$1,816,603	\$6,580,462	\$1,115,400
162 Buildings	\$19,269,475							\$90,755,504		
163 Furniture, Equipment & Machinery - Dwellings										
164 Furniture, Equipment & Machinery - Administration	\$1,054,518							\$3,281,824	\$241,911	
165 Leasehold Improvements										
166 Accumulated Depreciation	(\$17,889,851)							(\$70,488,165)	(\$167,894)	
167 Construction in Progress										\$5,742
168 Infrastructure	\$71,076							\$1,014,244		
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,044,878	\$0	\$0	\$0	\$0	\$0	\$0	\$26,380,010	\$8,654,479	\$1,121,142
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0									\$548,233
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0									
173 Grants Receivable - Non Current										
174 Other Assets	\$0									\$18,991,340
176 Investments in Joint Ventures	\$0									
180 Total Non-Current Assets	\$3,044,878	\$0	\$0	\$0	\$0	\$0	\$0	\$26,380,010	\$8,654,479	\$20,660,715
200 Deferred Outflow of Resources		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,168,561	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$35,926,025	\$11,574,240	\$39,278,295

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (TN003)
FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE (CONTINUED)

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$40,410	\$4,585	\$99,040				\$14,461	\$364,635	\$15,244	\$17,558
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	\$6,336		\$9,365		\$3,208		\$43,149	\$67,866	\$209,231	\$29,910
322 Accrued Compensated Absences - Current Portion	\$4,051		\$1,876		\$13,158		\$60,381	\$119,432	\$141,287	\$16,892
324 Accrued Contingency Liability										
325 Accrued Interest Payable							\$27	\$34,352		
331 Accounts Payable - HUD PHA Programs	\$0	\$2,337					\$43,428			
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government								\$143,830		
341 Tenant Security Deposits								\$232,261		
342 Unearned Revenue	\$1,946	\$31,406					\$18,683	\$103,264	\$1,698	\$43,520
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0							\$392,992		\$866,853
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities	\$106						\$81,823	\$21,948	\$4,144	\$319,563
346 Accrued Liabilities - Other	\$41,506							\$227,731		
347 Inter Program - Due To			\$301,467		\$29,214			\$1,242,104		
348 Loan Liability - Current	\$0									
310 Total Current Liabilities	\$94,355	\$38,328	\$411,748	\$0	\$45,580	\$0	\$261,952	\$2,950,415	\$371,604	\$1,294,296
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0			\$0				\$12,962,476		\$14,137,129
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other							\$192,345			
354 Accrued Compensated Absences - Non Current	\$8,225		\$3,810		\$26,715		\$122,592	\$242,483	\$286,855	\$34,296
355 Loan Liability - Non Current	\$0									
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$8,225	\$0	\$3,810	\$0	\$26,715	\$0	\$314,937	\$13,204,959	\$286,855	\$14,171,425
300 Total Liabilities	\$102,580	\$38,328	\$415,558	\$0	\$72,295	\$0	\$576,889	\$16,155,374	\$658,459	\$15,465,721
400 Deferred Inflow of Resources										\$16,050,000
508.3 Nonspendable Fund Balance										
508.4 Net Investment in Capital Assets	\$3,044,878							\$13,024,542	\$8,654,479	\$4,695,588
509.3 Restricted Fund Balance										
510.3 Committed Fund Balance										
511.3 Assigned Fund Balance										
511.4 Restricted Net Position							\$439,314	\$6,853,624		
512.3 Unassigned Fund Balance										
512.4 Unrestricted Net Position	\$1,021,103	\$135,558	\$295,119	\$0	(\$47,576)	\$10,050	\$3,463,394	(\$107,515)	\$2,261,302	\$3,066,986
513 Total Equity - Net Assets / Position	\$4,065,981	\$135,558	\$295,119	\$0	(\$47,576)	\$10,050	\$3,902,708	\$19,770,651	\$10,915,781	\$7,762,574
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,168,561	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$35,926,025	\$11,574,240	\$39,278,295

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$3,242,581	\$5,035,734			\$103,580				\$0	\$700	\$14,755,896		\$14,755,896
112 Cash - Restricted - Modernization and Development	\$7,010,440								\$0		\$8,588,707		\$8,588,707
113 Cash - Other Restricted	\$8,236,418	\$5,805,680		\$28,248	\$46,227				\$0		\$25,532,974		\$25,532,974
114 Cash - Tenant Security Deposits	\$394,397	\$182,999							\$0		\$822,894		\$822,894
115 Cash - Restricted for Payment of Current Liabilities				\$0					\$0		\$70,120		\$70,120
100 Total Cash	\$18,883,836	\$10,824,413	\$0	\$28,248	\$149,807	\$0	\$0	\$0	\$0	\$700	\$49,770,591	\$0	\$49,770,591
121 Accounts Receivable - PHA Projects									\$0				
122 Accounts Receivable - HUD Other Projects	\$472,543	\$68,218				\$0	\$18,102		\$0	\$0	\$1,454,177		\$1,454,177
124 Accounts Receivable - Other Government	\$7,653	\$2,980,753	\$500,000			\$519,166			\$0		\$4,532,867		\$4,532,867
125 Accounts Receivable - Miscellaneous	\$215,677	\$25,571,333							\$0	\$29,015	\$36,506,322		\$36,506,322
126 Accounts Receivable - Tenants	\$1,128,386	\$24,155	\$0	\$489	\$4,567				\$0		\$1,390,222		\$1,390,222
126.1 Allowance for Doubtful Accounts - Tenants	(\$580,081)	(\$882)	\$0	\$0	\$0				\$0		(\$584,346)		(\$584,346)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0	\$0		\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current									\$0				
128 Fraud Recovery				\$8,428	\$1,969				\$0		\$51,895		\$51,895
128.1 Allowance for Doubtful Accounts - Fraud				(\$8,559)	(\$1,969)				\$0		(\$51,895)		(\$51,895)
129 Accrued Interest Receivable									\$0				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,244,178	\$28,643,577	\$500,000	\$358	\$4,567	\$519,166	\$18,102	\$0	\$0	\$29,015	\$43,299,242	\$0	\$43,299,242
131 Investments - Unrestricted		\$4,006,836							\$0		\$7,263,378		\$7,263,378
132 Investments - Restricted	\$24,631			\$0					\$0		\$24,631		\$24,631
135 Investments - Restricted for Payment of Current Liability				\$0					\$0		\$0		\$0
142 Prepaid Expenses and Other Assets	\$1,211,725	\$543,351							\$0	\$34,498	\$2,071,114		\$2,071,114
143 Inventories	\$87,417								\$0	\$20,577	\$108,569		\$108,569
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0					\$0	\$0	\$0		\$0
144 Inter Program Due From		\$819,569							\$0	\$5,306	\$2,149,260	(\$2,149,260)	\$0
145 Assets Held for Sale									\$0		\$519,060		\$519,060
150 Total Current Assets	\$21,451,787	\$44,837,746	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$90,096	\$105,205,845	(\$2,149,260)	\$103,056,585
161 Land	\$174,350	\$1,390,488							\$0		\$13,616,963		\$13,616,963
162 Buildings	\$214,004,997	\$70,636,417							\$0	\$28,639	\$394,695,032		\$394,695,032
163 Furniture, Equipment & Machinery - Dwellings	\$129,900								\$0		\$129,900		\$129,900
164 Furniture, Equipment & Machinery - Administration	\$4,781,571	\$936,124							\$0	\$2,413,138	\$12,709,086		\$12,709,086
165 Leasehold Improvements									\$0				
166 Accumulated Depreciation	(\$25,906,449)	(\$50,520,268)							\$0	(\$2,134,663)	(\$167,107,290)		(\$167,107,290)
167 Construction in Progress	\$30,965,373	\$20,057,418							\$0		\$51,028,533		\$51,028,533
168 Infrastructure		\$713,027							\$0	\$44,430	\$1,842,777		\$1,842,777
160 Total Capital Assets, Net of Accumulated Depreciation	\$224,149,742	\$43,213,206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$351,544	\$306,915,001	\$0	\$306,915,001
171 Notes, Loans and Mortgages Receivable - Non-Current		\$86,216,821							\$0	\$0	\$86,765,054	(\$548,233)	\$86,216,821
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due									\$0	\$0	\$0		\$0
173 Grants Receivable - Non-Current									\$0				
174 Other Assets	\$5,127,552	\$9,962,802							\$0	\$0	\$34,081,694		\$34,081,694
176 Investments in Joint Ventures		\$5,045,747							\$0	\$0	\$5,045,747		\$5,045,747
180 Total Non-Current Assets	\$229,277,294	\$144,438,576	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$351,544	\$432,807,496	(\$548,233)	\$432,259,263
200 Deferred Outflow of Resources	\$0	\$4,576,992	\$0						\$0	\$0	\$4,576,992	\$0	\$4,576,992
290 Total Assets and Deferred Outflow of Resources	\$250,729,081	\$193,853,314	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$441,640	\$542,590,333	(\$2,697,493)	\$539,892,840

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 9 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft									\$0				
312 Accounts Payable <= 90 Days	\$11,764,368	\$4,075,349		\$17,180					\$0	\$148,314	\$16,561,144		\$16,561,144
313 Accounts Payable >90 Days Past Due									\$0				
321 Accrued Wage/Payroll Taxes Payable	\$82,142	\$38,384							\$0	\$207,268	\$696,859		\$696,859
322 Accrued Compensated Absences - Current Portion		\$49,878							\$0	\$405,673	\$812,628		\$812,628
324 Accrued Contingency Liability									\$0				
325 Accrued Interest Payable	\$5,642,822	\$75,719							\$0		\$5,752,920		\$5,752,920
331 Accounts Payable - HUD PHA Programs	\$3,153			\$489	\$4,142				\$0	\$0	\$53,549		\$53,549
332 Account Payable - PHA Projects									\$0				
333 Accounts Payable - Other Government	\$63,848	\$55,930							\$0		\$263,608		\$263,608
341 Tenant Security Deposits	\$390,838	\$180,499							\$0		\$803,598		\$803,598
342 Unearned Revenue	\$158,517	\$743,002		\$935	\$61,430				\$0	\$0	\$1,164,401		\$1,164,401
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$1,084,417	\$1,619,292							\$0	\$0	\$3,963,554		\$3,963,554
344 Current Portion of Long-term Debt - Operating Borrowings									\$0				
345 Other Current Liabilities	\$403,179	\$276,337							\$0	\$36,364	\$1,143,464		\$1,143,464
346 Accrued Liabilities - Other	\$13,135,774	\$176,710							\$0	\$87,490	\$13,669,211		\$13,669,211
347 Inter Program - Due To		\$58,373	\$500,000				\$18,102		\$0		\$2,149,260	(\$2,149,260)	\$0
348 Loan Liability - Current									\$0	\$0			\$0
310 Total Current Liabilities	\$32,729,058	\$7,349,473	\$500,000	\$18,604	\$65,572	\$0	\$18,102	\$0	\$0	\$885,109	\$47,034,196	(\$2,149,260)	\$44,884,936
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$144,070,466	\$45,012,266							\$0	\$0	\$216,192,337	(\$548,233)	\$215,634,104
352 Long-term Debt, Net of Current - Operating Borrowings									\$0				
353 Non-current Liabilities - Other	\$190,974			\$10,002					\$0		\$393,321		\$393,321
354 Accrued Compensated Absences - Non Current		\$101,266							\$0	\$823,639	\$1,649,881		\$1,649,881
355 Loan Liability - Non Current									\$0	\$0	\$0		\$0
356 FASB 5 Liabilities									\$0				
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$144,261,440	\$45,113,532	\$0	\$10,002	\$0	\$0	\$0	\$0	\$0	\$823,639	\$218,225,539	(\$548,233)	\$217,677,306
300 Total Liabilities	\$176,990,498	\$52,463,005	\$500,000	\$28,606	\$65,572	\$0	\$18,102	\$0	\$0	\$1,708,748	\$265,259,735	(\$2,697,493)	\$262,562,242
400 Deferred Inflow of Resources		\$9,512,946							\$0	\$0	\$25,562,946	\$0	\$25,562,946
508.3 Nonspendable Fund Balance									\$0				
508.4 Net Investment in Capital Assets	\$66,868,630	\$8,020,044							\$0	\$351,544	\$104,659,705		\$104,659,705
509.3 Restricted Fund Balance									\$0				
510.3 Committed Fund Balance									\$0				
511.3 Assigned Fund Balance									\$0				
511.4 Restricted Net Position	\$1,199,939	\$3,949,963		\$0	\$46,227	\$519,166			\$0		\$13,008,233		\$13,008,233
512.3 Unassigned Fund Balance									\$0				
512.4 Unrestricted Net Position	\$5,670,014	\$119,907,356	\$0	\$0	\$42,575	\$0	\$0	\$0	\$0	(\$1,618,652)	\$134,099,714		\$134,099,714
513 Total Equity - Net Assets / Position	\$73,738,583	\$131,877,363	\$0	\$0	\$88,802	\$519,166	\$0	\$0	\$0	(\$1,267,108)	\$251,767,652	\$0	\$251,767,652
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$250,729,081	\$193,853,314	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$441,640	\$542,580,333	(\$2,697,493)	\$539,882,840

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
70300 Net Tenant Rental Revenue	\$94,033	\$0	\$0	\$0	\$0	\$0	\$738	\$3,893,298	\$0	\$0
70400 Tenant Revenue - Other	\$11,772	\$0	\$0	\$0	\$0	\$0	\$38	\$104,728	\$30	\$0
70500 Total Tenant Revenue	\$105,805	\$0	\$0	\$0	\$0	\$0	\$776	\$3,998,026	\$30	\$0
70600 HUD PHA Operating Grants	\$1,747,839	\$1,160,022	\$5,846,514	\$0	\$44,299	\$0	\$30,898,766	\$10,959,241	\$0	\$0
70610 Capital Grants	\$19,710									
70710 Management Fee										
70720 Asset Management Fee										
70730 Book Keeping Fee										
70740 Front Line Service Fee										
70750 Other Fees									\$876,916	
70700 Total Fee Revenue										
70800 Other Government Grants		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$2,924,131
71100 Investment Income - Unrestricted	\$21,945	\$5,764	\$0	\$0	\$0	\$0	\$135,739	\$17,493	\$2,158	\$85,447
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery		\$0	\$0	\$0	\$0	\$0	\$3,262	\$0	\$0	\$0
71500 Other Revenue	\$2,189	\$224	\$0	\$0	\$0	\$0	\$1,330	\$406,970	\$2,784,378	\$552,836
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,253	(\$175,666)
72000 Investment Income - Restricted		\$0	\$0	\$0	\$0	\$0	\$0	\$145,541	\$0	\$0
70000 Total Revenue	\$1,897,488	\$1,166,010	\$5,846,514	\$0	\$44,299	\$0	\$31,039,873	\$15,527,271	\$3,665,735	\$3,386,748
91100 Administrative Salaries	\$95,139	\$42,083	\$141,053	\$0	\$34,917	\$0	\$632,744	\$790,627	\$1,322,791	\$459,130
91200 Auditing Fees	\$8,620	\$1,000	\$0	\$0	\$0	\$0	\$23,000	\$23,900	\$6,600	\$2,000
91300 Management Fee	\$45,822	\$19,668	\$0	\$0	\$0	\$0	\$421,344	\$549,472	\$0	\$24,518
91310 Book-keeping Fee	\$3,780	\$12,292	\$0	\$0	\$0	\$0	\$263,340	\$73,040	\$0	\$0
91400 Advertising and Marketing	\$571	\$0	\$0	\$0	\$0	\$0	\$578	\$4,952	\$0	\$6,130
91500 Employee Benefit contributions - Administrative	\$28,336	\$0	\$42,804	\$0	\$12,682	\$0	\$216,816	\$226,599	\$373,293	\$123,892
91600 Office Expenses	\$20,449	\$2	\$3,186	\$0	\$0	\$590	\$101,122	\$174,794	\$25,465	\$35,004
91700 Legal Expense	\$1,489	\$0	\$0	\$0	\$0	\$0	\$0	\$56,783	\$0	\$80,483
91800 Travel	\$3	\$0	\$2,816	\$0	\$0	\$0	\$11,253	\$799	\$0	\$4,037
91810 Allocated Overhead										
91900 Other	\$8,788	\$0	\$479,672	\$0	\$608	\$0	\$366,928	\$87,280	\$15,561	\$718,878
91000 Total Operating - Administrative	\$212,997	\$75,045	\$669,531	\$0	\$48,207	\$590	\$2,037,125	\$1,988,246	\$1,743,710	\$1,454,072
92000 Asset Management Fee	\$15,840	\$0	\$0	\$0	\$0	\$0	\$0	\$21,800	\$0	\$0
92100 Tenant Services - Salaries		\$0	\$0	\$0	\$12,164	\$0	\$0	\$11,186	\$65,255	\$0
92200 Relocation Costs	\$86,536	\$0	\$0	\$0	\$0	\$0	\$0	\$22,255	\$8,747	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0	\$0	\$4,374	\$0	\$0	\$4,189	\$21,630	\$0
92400 Tenant Services - Other	\$13,032	\$0	\$0	\$0	\$0	\$0	\$8,800	\$68,822	\$183,268	\$0
92500 Total Tenant Services	\$99,568	\$0	\$0	\$0	\$16,538	\$0	\$8,800	\$106,452	\$278,900	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
93100 Water	\$75,723	\$0	\$0	\$0	\$0	\$0	\$0	\$378,447	\$0	\$0
93200 Electricity	\$69,678	\$0	\$0	\$0	\$0	\$0	\$0	\$1,049,234	\$0	\$0
93300 Gas	\$4,024	\$0	\$0	\$0	\$0	\$0	\$0	\$4,790	\$0	\$0
93400 Fuel										
93500 Labor										
93600 Sewer	\$176,831	\$0	\$0	\$0	\$0	\$0	\$0	\$798,097	\$0	\$0
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense										
93000 Total Utilities	\$326,256	\$0	\$0	\$0	\$0	\$0	\$0	\$2,230,568	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$51,617	\$0	\$0	\$0	\$0	\$0	\$17,273	\$428,978	\$640,156	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,917	\$0	\$0	\$0	\$0	\$0	\$33	\$202,712	\$1,224	\$1,680
94300 Ordinary Maintenance and Operations Contracts	\$128,512	\$0	\$0	\$0	\$0	\$0	\$400	\$1,716,804	\$58,704	\$120,324
94500 Employee Benefit Contributions - Ordinary Maintenance	\$13,532	\$0	\$0	\$0	\$0	\$0	\$2,072	\$140,277	\$179,411	\$0
94000 Total Maintenance	\$210,578	\$0	\$0	\$0	\$0	\$0	\$19,778	\$2,488,771	\$879,495	\$122,004
95100 Protective Services - Labor										
95200 Protective Services - Other Contract Costs	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$178,010	\$0	\$0
95300 Protective Services - Other										
95500 Employee Benefit Contributions - Protective Services										
95000 Total Protective Services	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$178,010	\$0	\$0
96110 Property Insurance	\$47,827	\$0	\$0	\$0	\$0	\$0	\$17	\$390,711	\$4,223	\$976
96120 Liability Insurance	\$8,029	\$0	\$0	\$0	\$0	\$0	\$20,529	\$51,452	\$228	\$4,109
96130 Workmen's Compensation	\$2,685	\$0	\$103	\$0	\$79	\$0	\$4,275	\$7,852	\$462	\$2,565
96140 All Other Insurance	\$2,888	\$0	\$0	\$0	\$0	\$0	\$633	\$12,573	\$84	\$3,187
96100 Total Insurance Premiums	\$61,429	\$0	\$103	\$0	\$79	\$0	\$25,454	\$462,588	\$4,997	\$10,857
96200 Other General Expenses	\$529,747	\$0	\$0	\$0	\$0	\$0	\$17,759	\$4,693,402	\$0	\$94,999
96210 Compensated Absences	\$13,172	\$0	\$16,755	\$0	\$27,051	\$0	\$114,886	\$199,654	\$574,737	\$59,162
96300 Payments in Lieu of Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$143,830	\$0	\$0
96400 Bad debt - Tenant Rents	\$1,580	\$0	\$0	\$0	\$0	\$0	\$0	\$296,962	\$17,696	\$0
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$544,499	\$0	\$16,755	\$0	\$27,051	\$0	\$132,645	\$5,333,848	\$592,433	\$154,161
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$0	\$0	\$0	\$0	\$0	\$433,209	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$433,209	\$0	\$0
96900 Total Operating Expenses	\$1,505,529	\$75,045	\$686,389	\$0	\$91,875	\$590	\$2,223,802	\$13,243,492	\$3,499,535	\$1,741,094
97000 Excess of Operating Revenue over Operating Expenses	\$391,959	\$1,090,965	\$5,160,125	\$0	(\$47,576)	(\$590)	\$28,816,071	\$2,283,779	\$166,200	\$1,645,654
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized		\$0	\$0	\$0	\$0	\$0	\$0	\$98,529	\$0	\$2,000
97300 Housing Assistance Payments		\$1,156,575	\$0	\$0	\$0	\$0	\$28,460,427	\$0		\$0
97350 HAP Portability-In										
97400 Depreciation Expense	\$551,827	\$0	\$0	\$0	\$0	\$0	\$0	\$3,708,747	\$6,841	\$0
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$2,057,356	\$1,231,620	\$686,389	\$0	\$91,875	\$590	\$30,684,229	\$17,050,768	\$3,506,376	\$1,743,094

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
10010 Operating Transfer In	\$1,140	\$0	\$0	\$0	\$0	\$0	\$3,547,064	\$0	\$977,455	\$0
10020 Operating transfer Out	(\$1,140)	\$0	\$0	\$0	\$0	\$0	\$0	(\$921,291)	(\$799,789)	(\$403,395)
10030 Operating Transfers from/to Primary Government	\$0									
10040 Operating Transfers from/to Component Unit		\$0	(\$5,115,147)	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$1,760,069
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)									(\$8,684,879)	
10091 Inter Project Excess Cash Transfer In	\$0									
10092 Inter Project Excess Cash Transfer Out	\$0									
10093 Transfers between Program and Project - In	\$245,037	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,958	\$0
10094 Transfers between Project and Program - Out	(\$271,995)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	(\$26,958)	\$0	(\$5,115,147)	(\$1,000,000)	\$0	\$0	\$3,547,064	(\$921,291)	(\$8,480,255)	\$1,356,674
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$186,826)	(\$65,610)	\$44,978	(\$1,000,000)	(\$47,576)	(\$590)	\$3,902,708	(\$2,444,788)	(\$8,320,896)	\$3,000,328
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,047	\$0	\$9,599,370
11030 Beginning Equity	\$4,252,807	\$201,168	\$250,141	\$1,000,000	\$0	\$10,640	\$0	\$22,215,439	\$19,236,677	\$4,762,246
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance										
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11080 Changes in Special Term/Severance Benefits Liability										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity										
11180 Housing Assistance Payments Equity										
11190 Unit Months Available	1584	2880	0	0	0	0	47618	22356	0	0
11210 Number of Unit Months Leased	428	1645	0	0	0	0	31475	20483	0	0
11270 Excess Cash	\$888,750									
11610 Land Purchases	\$0									
11620 Building Purchases	\$0									
11630 Furniture & Equipment - Dwelling Purchases	\$0									
11640 Furniture & Equipment - Administrative Purchases	\$0									
11650 Leasehold Improvements Purchases	\$0									
11660 Infrastructure Purchases	\$0									
13510 CFFP Debt Service Payments	\$0									
13901 Replacement Housing Factor Funds	\$0									

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program - Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$4,878,032	\$2,153,953							\$0		\$11,020,034		\$11,020,034
70400 Tenant Revenue - Other	\$116,868	\$135,657							\$0		\$369,093		\$369,093
70500 Total Tenant Revenue	\$4,994,900	\$2,289,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,389,127	\$0	\$11,389,127
70600 HUD PHA Operating Grants	\$8,505,944	\$0	\$0	\$2,398,969	\$649,082				\$0		\$62,210,676		\$62,210,676
70610 Capital Grants									\$0	\$0	\$19,710		\$19,710
70710 Management Fee									\$0	\$1,418,953	\$1,418,953	(\$1,418,953)	\$0
70720 Asset Management Fee									\$0	\$66,640	\$66,640	(\$66,640)	\$0
70730 Book Keeping Fee									\$0	\$404,136	\$404,136	(\$404,136)	\$0
70740 Front Line Service Fee									\$0	\$378,871	\$378,871	(\$378,871)	\$0
70750 Other Fees									\$0	\$12,062	\$888,976		\$888,976
70700 Total Fee Revenue									\$0	\$2,280,662	\$2,280,662	(\$2,268,600)	\$12,062
70800 Other Government Grants	\$0	\$13,457,700	\$2,770,000			\$1,557,498	\$18,102		\$0		\$20,727,431	(\$5,396,647)	\$15,330,784
71100 Investment Income - Unrestricted	\$723,403	\$2,306,653	\$0	\$0	\$4,221				\$0	\$2,839	\$3,305,662		\$3,305,662
71200 Mortgage Interest Income									\$0				
71300 Proceeds from Disposition of Assets Held for Sale									\$0				
71310 Cost of Sale of Assets									\$0				
71400 Fraud Recovery	\$0	\$0	\$0	\$0					\$0		\$3,262		\$3,262
71500 Other Revenue	\$8,368,836	\$7,566,479			\$162				\$0	\$29,324	\$19,712,728		\$19,712,728
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0							\$0		(\$173,413)		(\$173,413)
72000 Investment Income - Restricted	\$50,697	\$3,259	\$0	\$0					\$0		\$199,497		\$199,497
70000 Total Revenue	\$22,643,780	\$25,623,681	\$2,770,000	\$2,398,969	\$653,465	\$1,557,498	\$18,102	\$0	\$0	\$2,312,825	\$120,552,258	(\$7,665,247)	\$112,887,011
91100 Administrative Salaries	\$1,008,331	\$391,789							\$0	\$2,923,190	\$7,841,794		\$7,841,794
91200 Auditing Fees	\$137,688	\$15,775			\$1,000				\$0	\$15,710	\$235,293		\$235,293
91300 Management Fee	\$673,301	\$351,003	\$0	\$0	\$7,128				\$0	\$2,092,256	(\$1,418,953)		\$673,303
91310 Book-keeping Fee	\$87,779	\$47,228			\$4,455				\$0		\$491,914	(\$404,136)	\$87,778
91400 Advertising and Marketing	\$4,355	\$5,805							\$0	\$6,602	\$28,953		\$28,953
91500 Employee Benefit contributions - Administrative	\$282,194	\$116,619							\$0	\$773,373	\$2,196,608		\$2,196,608
91600 Office Expenses	\$256,146	\$95,293							\$0	\$496,979	\$1,209,030		\$1,209,030
91700 Legal Expense	\$60,123	\$43,634							\$0	\$143,059	\$385,571		\$385,571
91800 Travel	\$541	\$825							\$0	\$51,702	\$71,976		\$71,976
91810 Allocated Overhead									\$0				
91800 Other	\$169,108	\$704,380					\$18,102		\$0	\$262,137	\$2,831,442		\$2,831,442
91000 Total Operating - Administrative	\$2,679,566	\$1,772,351	\$0	\$0	\$12,583	\$0	\$18,102	\$0	\$0	\$4,672,752	\$17,384,677	(\$1,823,089)	\$15,561,788
92000 Asset Management Fee	\$157,710	\$29,000							\$0		\$224,350	(\$66,640)	\$157,710
92100 Tenant Services - Salaries	\$12,900	\$0							\$0		\$101,505		\$101,505
92200 Relocation Costs	\$30,673	\$20,264							\$0		\$168,475		\$168,475
92300 Employee Benefit Contributions - Tenant Services	\$1,053	\$0							\$0		\$31,246		\$31,246
92400 Tenant Services - Other	\$29,866	\$173,844							\$0	\$43,331	\$520,963		\$520,963
92500 Total Tenant Services	\$74,492	\$194,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,331	\$822,189	\$0	\$822,189

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14 EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	\$546,948	\$255,971							\$0	\$16,048	\$1,303,137		\$1,303,137
93200 Electricity	\$454,158	\$391,245							\$0	\$53,816	\$2,018,131		\$2,018,131
93300 Gas	\$12,314	\$5,816							\$0	\$9,566	\$36,510		\$36,510
93400 Fuel									\$0				
93500 Labor									\$0				
93600 Sewer	\$1,142,298	\$576,988							\$0	\$4,486	\$2,698,700		\$2,698,700
93700 Employee Benefit Contributions - Utilities									\$0				
93800 Other Utilities Expense									\$0				
93000 Total Utilities	\$2,155,718	\$1,260,020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,916	\$6,056,478	\$0	\$6,056,478
94100 Ordinary Maintenance and Operations - Labor	\$575,126	\$231,016							\$0	\$12,506	\$1,997,472		\$1,997,472
94200 Ordinary Maintenance and Operations - Materials and Other	\$374,006	\$148,380							\$0	\$15,162	\$760,114		\$760,114
94300 Ordinary Maintenance and Operations Contracts	\$2,027,547	\$1,056,186	\$0						\$0	\$298,839	\$5,407,316	(\$378,871)	\$5,028,445
94500 Employee Benefit Contributions - Ordinary Maintenance	\$165,029	\$62,487							\$0	\$17,685	\$580,493		\$580,493
94000 Total Maintenance	\$3,141,708	\$1,498,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,992	\$8,745,395	(\$378,871)	\$8,366,524
95100 Protective Services - Labor									\$0				
95200 Protective Services - Other Contract Costs	\$265,788	\$115,848							\$0		\$594,008		\$594,008
95300 Protective Services - Other									\$0				
95500 Employee Benefit Contributions - Protective Services									\$0				
95000 Total Protective Services	\$265,788	\$115,848	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$594,008	\$0	\$594,008
96110 Property Insurance	\$861,881	\$254,080							\$0	\$15,837	\$1,575,552		\$1,575,552
96120 Liability Insurance	\$143,417	\$31,353							\$0	\$6,709	\$265,826		\$265,826
96130 Workmen's Compensation	\$10,642	\$4,388							\$0	\$22,987	\$56,058		\$56,058
96140 All Other Insurance	\$7,998	\$58,389							\$0	\$5,545	\$91,297		\$91,297
96100 Total Insurance Premiums	\$1,023,938	\$348,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,078	\$1,988,733	\$0	\$1,988,733
96200 Other General Expenses	\$215,914	\$18,629							\$0	\$12,500	\$5,582,950	(\$4,692,929)	\$890,021
96210 Compensated Absences	\$115,612	\$118,167							\$0	\$620,727	\$1,859,923		\$1,859,923
96300 Payments in Lieu of Taxes	\$50,634	\$55,930							\$0		\$250,394		\$250,394
96400 Bad debt - Tenant Rents	\$417,203	\$141,564							\$0		\$875,005		\$875,005
96500 Bad debt - Mortgages									\$0				
96600 Bad debt - Other									\$29,507	\$0	\$29,507		\$29,507
96800 Severance Expense									\$0				
96000 Total Other General Expenses	\$799,363	\$334,290	\$0	\$0	\$0	\$0	\$0	\$29,507	\$0	\$633,227	\$8,597,779	(\$4,692,929)	\$3,904,850
96710 Interest of Mortgage (or Bonds) Payable	\$1,590,792	\$930,115							\$0		\$2,954,116		\$2,954,116
96720 Interest on Notes Payable (Short and Long Term)	\$1,269,522	\$0							\$0	\$13,542	\$1,283,064		\$1,283,064
96730 Amortization of Bond Issue Costs	\$489,188	\$0							\$0	\$398,221	\$877,409		\$877,409
96700 Total Interest Expense and Amortization Cost	\$3,349,502	\$930,115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$401,763	\$5,114,589	\$0	\$5,114,589
96900 Total Operating Expenses	\$13,647,785	\$6,482,011	\$0	\$0	\$12,583	\$0	\$18,102	\$29,507	\$0	\$6,271,059	\$49,528,398	(\$6,961,529)	\$42,566,869
97000 Excess of Operating Revenue over Operating Expenses	\$8,995,995	\$19,141,670	\$2,770,000	\$2,398,969	\$640,882	\$1,557,498	\$0	(\$29,507)	\$0	(\$3,958,234)	\$71,023,860	(\$703,718)	\$70,320,142
97100 Extraordinary Maintenance									\$0				
97200 Casualty Losses - Non-capitalized	\$29,486	\$190,218							\$0		\$320,233		\$320,233
97300 Housing Assistance Payments	\$0	\$0	\$0	\$2,371,068	\$597,803				\$0		\$32,685,873	(\$703,718)	\$31,882,155
97350 HAP Portability-In				\$0					\$0		\$0		\$0
97400 Depreciation Expense	\$5,300,734	\$2,834,289							\$0	\$30,633	\$12,433,071		\$12,433,071
97500 Fraud Losses									\$0				
97600 Capital Outlays - Governmental Funds									\$0				
97700 Debt Principal Payment - Governmental Funds									\$0				
97800 Dwelling Units Rent Expense									\$0				
90000 Total Expenses	\$18,978,005	\$9,506,518	\$0	\$2,371,068	\$610,386	\$0	\$18,102	\$29,507	\$0	\$6,301,692	\$94,867,575	(\$7,665,247)	\$87,202,328

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV/ Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	\$0	\$0							\$0	\$3,677,697	\$9,203,356		\$9,203,356
10020 Operating transfer Out	\$0	(\$2,530,677)		(\$3,480,925)					(\$66,139)		(\$9,203,356)		(\$8,203,356)
10030 Operating Transfers from/to Primary Government									\$0		\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$8,682,576	(\$2,770,000)			(\$1,557,498)			\$0		\$0		\$0
10050 Proceeds from Notes, Loans and Bonds									\$0				
10060 Proceeds from Property Sales									\$0				
10070 Extraordinary Items, Net Gain/Loss									\$0				
10080 Special Items (Net Gain/Loss)									\$0		(\$8,684,879)		(\$8,684,879)
10091 Inter Project Excess Cash Transfer In									\$0		\$0		\$0
10092 Inter Project Excess Cash Transfer Out									\$0		\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$2,000,000						\$29,507	\$0		\$2,301,502		\$2,301,502
10094 Transfers between Project and Program - Out	\$0	\$0					(\$2,000,000)		\$0	(\$29,507)	(\$2,301,502)		(\$2,301,502)
10100 Total Other financing Sources (Uses)	\$0	\$8,151,899	(\$2,770,000)	(\$3,480,925)	\$0	(\$1,557,498)	(\$2,000,000)	\$29,507	(\$66,139)	\$3,648,190	(\$8,684,879)	\$0	(\$8,684,879)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,665,775	\$24,269,062	\$0	(\$3,453,024)	\$43,079	\$0	(\$2,000,000)	\$0	(\$66,139)	(\$340,677)	\$16,999,804	\$0	\$16,999,804
11020 Required Annual Debt Principal Payments	\$1,062,596	\$798,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,950,189		\$11,950,189
11030 Beginning Equity	\$70,072,808	\$108,608,301	\$0	\$3,453,024	\$45,723	\$519,166	\$2,000,000	\$0	\$66,139	(\$926,431)	\$235,767,848		\$235,767,848
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	(\$1,000,000)	\$0	\$0					\$0	\$0	(\$1,000,000)		(\$1,000,000)
11050 Changes in Compensated Absence Balance									\$0				
11060 Changes in Contingent Liability Balance									\$0				
11070 Changes in Unrecognized Pension Transition Liability									\$0				
11080 Changes in Special Term/Severance Benefits Liability									\$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									\$0				
11100 Changes in Allowance for Doubtful Accounts - Other									\$0				
11170 Administrative Fee Equity				\$0					\$0		\$0		\$0
11180 Housing Assistance Payments Equity				\$0					\$0		\$0		\$0
11190 Unit Months Available	19424	936	0	4725					0		99523		99523
11210 Number of Unit Months Leased	15596	887	0	3210					0		73724		73724
11270 Excess Cash									\$0		\$888,750		\$888,750
11610 Land Purchases									\$0	\$0	\$0		\$0
11620 Building Purchases									\$0	\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases									\$0	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases									\$0	\$0	\$0		\$0
11650 Leasehold Improvements Purchases									\$0	\$0	\$0		\$0
11660 Infrastructure Purchases									\$0	\$0	\$0		\$0
13510 CFFP Debt Service Payments									\$0	\$0	\$0		\$0
13901 Replacement Housing Factor Funds									\$0	\$0	\$0		\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
111 Cash - Unrestricted	\$1,043,272		\$62,203									
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted												
114 Cash - Tenant Security Deposits	\$950											
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$1,044,222	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects	\$0	\$0										
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous	\$1,150	\$0										
126 Accounts Receivable - Tenants	\$1,707											
126.1 Allowance for Doubtful Accounts -Tenants	(\$790)											
126.2 Allowance for Doubtful Accounts - Other	\$0											
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery												
128.1 Allowance for Doubtful Accounts - Fraud												
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131 Investments - Unrestricted												
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$15,191											
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From		\$0										
145 Assets Held for Sale												
150 Total Current Assets	\$1,061,480	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
161 Land	\$233,090		\$306,570									
162 Buildings	\$14,291,877		\$4,977,598									
163 Furniture, Equipment & Machinery - Dwellings												
164 Furniture, Equipment & Machinery - Administration	\$1,036,068		\$18,450									
165 Leasehold Improvements												
166 Accumulated Depreciation	(\$12,893,803)		(\$4,996,048)									
167 Construction in Progress												
168 Infrastructure	\$71,076											
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,738,308	\$0	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0										
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0										
173 Grants Receivable - Non Current												
174 Other Assets	\$0	\$0										
176 Investments in Joint Ventures	\$0	\$0										
180 Total Non-Current Assets	\$2,738,308	\$0	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources												
290 Total Assets and Deferred Outflow of Resources	\$3,799,788	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$40,410											
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$6,336											
322 Accrued Compensated Absences - Current Portion	\$3,763											
324 Accrued Contingency Liability												
325 Accrued Interest Payable												
331 Accounts Payable - HUD PHA Programs	\$0	\$0										
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government												
341 Tenant Security Deposits												
342 Unearned Revenue	\$1,946	\$0										
343 Current Portion of Long-term Debt - Capital	\$0	\$0										
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities	\$106											
346 Accrued Liabilities - Other	\$41,506											
347 Inter Program - Due To												
348 Loan Liability - Current	\$0	\$0										
310 Total Current Liabilities	\$94,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0										
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other												
354 Accrued Compensated Absences - Non Current	\$7,641											
355 Loan Liability - Non Current	\$0	\$0										
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0									
350 Total Non-Current Liabilities	\$7,641	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$101,708	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
400 Deferred Inflow of Resources												
508.4 Net Investment in Capital Assets	\$2,738,308		\$306,570									
511.4 Restricted Net Position												
512.4 Unrestricted Net Position	\$959,772	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$3,698,080	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,799,788	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
111 Cash - Unrestricted															\$1,105,475
112 Cash - Restricted - Modernization and Development															
113 Cash - Other Restricted															\$950
114 Cash - Tenant Security Deposits															
115 Cash - Restricted for Payment of Current Liabilities															
100 Total Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,106,425
121 Accounts Receivable - PHA Projects															
122 Accounts Receivable - HUD Other Projects															\$0
124 Accounts Receivable - Other Government															
125 Accounts Receivable - Miscellaneous															\$1,150
126 Accounts Receivable - Tenants															\$1,707
126.1 Allowance for Doubtful Accounts - Tenants															(\$790)
126.2 Allowance for Doubtful Accounts - Other															\$0
127 Notes, Loans, & Mortgages Receivable - Current															
128 Fraud Recovery															
128.1 Allowance for Doubtful Accounts - Fraud															
129 Accrued Interest Receivable															
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,057
131 Investments - Unrestricted															
132 Investments - Restricted															
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets															\$15,191
143 Inventories															
143.1 Allowance for Obsolete Inventories															
144 Inter Program Due From															\$0
145 Assets Held for Sale															
150 Total Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,123,683
161 Land															\$539,860
162 Buildings															\$19,269,475
163 Furniture, Equipment & Machinery - Dwellings															
164 Furniture, Equipment & Machinery - Administration															\$1,054,518
165 Leasehold Improvements															
166 Accumulated Depreciation															(\$17,889,851)
167 Construction in Progress															
168 Infrastructure															\$71,076
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,044,878
171 Notes, Loans and Mortgages Receivable - Non-Current															\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past															\$0
173 Grants Receivable - Non Current															\$0
174 Other Assets															\$0
176 Investments in Joint Ventures															\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,044,878
200 Deferred Outflow of Resources															
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,168,561

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
311 Bank Overdraft															
312 Accounts Payable <= 90 Days															\$40,410
313 Accounts Payable >90 Days Past Due															
321 Accrued Wage/Payroll Taxes Payable															\$6,336
322 Accrued Compensated Absences - Current Portion															\$3,763
324 Accrued Contingency Liability															
325 Accrued Interest Payable															
331 Accounts Payable - HUD PHA Programs															\$0
332 Account Payable - PHA Projects															
333 Accounts Payable - Other Government															
341 Tenant Security Deposits															
342 Unearned Revenue															\$1,946
343 Current Portion of Long-term Debt - Capital															\$0
344 Current Portion of Long-term Debt - Operating Borrowings															
345 Other Current Liabilities															\$106
346 Accrued Liabilities - Other															\$41,506
347 Inter Program - Due To															
348 Loan Liability - Current															\$0
310 Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$94,067
351 Long-term Debt, Net of Current - Capital Projects/Mortgage															\$0
352 Long-term Debt, Net of Current - Operating Borrowings															
353 Non-current Liabilities - Other															
354 Accrued Compensated Absences - Non Current															\$7,641
355 Loan Liability - Non Current															\$0
356 FASB 5 Liabilities															
357 Accrued Pension and OPEB Liabilities															\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,641
300 Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101,708
400 Deferred Inflow of Resources															
508.4 Net Investment in Capital Assets															\$3,044,878
511.4 Restricted Net Position															
512.4 Unrestricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,021,975
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,066,853
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,168,561

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
70300 Net Tenant Rental Revenue	\$94,033											
70400 Tenant Revenue - Other	\$11,772											
70500 Total Tenant Revenue	\$105,805	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,747,839											
70610 Capital Grants	\$19,710											
70710 Management Fee												
70720 Asset Management Fee												
70730 Book Keeping Fee												
70740 Front Line Service Fee												
70750 Other Fees												
70700 Total Fee Revenue												
70800 Other Government Grants												
71100 Investment Income - Unrestricted	\$20,341		\$1,604									
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery												
71500 Other Revenue	\$2,189											
71600 Gain or Loss on Sale of Capital Assets												
72000 Investment Income - Restricted												
70000 Total Revenue	\$1,895,884	\$0	\$1,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91100 Administrative Salaries	\$95,139											
91200 Auditing Fees	\$8,620											
91300 Management Fee	\$45,822	\$0	\$0									
91310 Book-keeping Fee	\$3,780											
91400 Advertising and Marketing	\$571											
91500 Employee Benefit contributions - Administrative	\$28,336											
91600 Office Expenses	\$20,449											
91700 Legal Expense	\$1,489											
91800 Travel	\$3											
91810 Allocated Overhead												
91900 Other	\$8,788											
91000 Total Operating - Administrative	\$212,997	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92000 Asset Management Fee	\$15,840											
92100 Tenant Services - Salaries												
92200 Relocation Costs	\$86,536											
92300 Employee Benefit Contributions - Tenant Services												
92400 Tenant Services - Other	\$13,032											
92500 Total Tenant Services	\$99,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$75,723											
93200 Electricity	\$69,678											
93300 Gas	\$4,024											
93400 Fuel												
93500 Labor												
93600 Sewer	\$176,831											
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$326,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$51,617											
94200 Ordinary Maintenance and Operations - Materials and	\$16,909		\$8									
94300 Ordinary Maintenance and Operations Contracts	\$128,512	\$0	\$0									
94500 Employee Benefit Contributions - Ordinary Maintenance	\$13,532											
94000 Total Maintenance	\$210,570	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs	\$34,362											
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$47,827											
96120 Liability Insurance	\$8,029											
96130 Workmen's Compensation	\$2,685											
96140 All Other Insurance	\$2,888											
96100 Total Insurance Premiums	\$61,429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96200 Other General Expenses	\$529,747											
96210 Compensated Absences	\$13,172											
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents	\$1,580											
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$544,499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable												
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0										
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,505,521	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$390,363	\$0	\$1,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments												
97350 HAP Portability-In												
97400 Depreciation Expense	\$551,827											
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$2,057,348	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10010 Operating Transfer In	\$1,140											
10020 Operating transfer Out	(\$1,140)											
10030 Operating Transfers from/to Primary Government	\$0	\$0										
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In	\$0											
10092 Inter Project Excess Cash Transfer Out	\$0											
10093 Transfers between Program and Project - In	\$245,037											
10094 Transfers between Project and Program - Out	(\$271,995)											
10100 Total Other financing Sources (Uses)	(\$26,958)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(\$188,422)	\$0	\$1,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,885,630	\$0	\$367,177	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity												
11180 Housing Assistance Payments Equity												
11190 Unit Months Available	1584	0	0	0	0	0	0	0	0	0	0	0
11210 Number of Unit Months Leased	428	0	0	0	0	0	0	0	0	0	0	0
11270 Excess Cash	\$826,547	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
70300 Net Tenant Rental Revenue															\$34,933
70400 Tenant Revenue - Other															\$105,805
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,738
70600 HUD PHA Operating Grants															\$1,747,839
70610 Capital Grants															\$19,710
70710 Management Fee															
70720 Asset Management Fee															
70730 Book Keeping Fee															
70740 Front Line Service Fee															
70750 Other Fees															
70700 Total Fee Revenue															
70800 Other Government Grants															
71100 Investment Income - Unrestricted															\$21,945
71200 Mortgage Interest Income															
71300 Proceeds from Disposition of Assets Held for Sale															
71310 Cost of Sale of Assets															
71400 Fraud Recovery															
71500 Other Revenue															\$2,189
71600 Gain or Loss on Sale of Capital Assets															
72000 Investment Income - Restricted															
70000 Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,897,488
91100 Administrative Salaries															\$95,139
91200 Auditing Fees															\$8,820
91300 Management Fee															\$45,822
91310 Book-keeping Fee															\$3,780
91400 Advertising and Marketing															\$571
91500 Employee Benefit Contributions - Administrative															\$28,336
91600 Office Expenses															\$20,449
91700 Legal Expense															\$1,489
91800 Travel															\$3
91810 Allocated Overhead															
91900 Other															\$8,788
91000 Total Operating - Administrative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,997
92000 Asset Management Fee															\$15,840
92100 Tenant Services - Salaries															\$86,536
92200 Relocation Costs															
92300 Employee Benefit Contributions - Tenant Services															\$13,032
92400 Tenant Services - Other															\$99,568
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218,976
93100 Water															\$75,723
93200 Electricity															\$89,678
93300 Gas															\$4,024
93400 Fuel															
93500 Labor															
93600 Sewer															
93700 Employee Benefit Contributions - Utilities															\$176,851
93800 Other Utilities Expense															
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$396,256
94100 Ordinary Maintenance and Operations - Labor															\$51,817
94200 Ordinary Maintenance and Operations - Materials and															\$16,917
94300 Ordinary Maintenance and Operations Contracts															\$128,512
94500 Employee Benefit Contributions - Ordinary Maintenance															\$13,532
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,778

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
95100 Protective Services - Labor															
95200 Protective Services - Other Contract Costs															\$34,362
95300 Protective Services - Other															
95500 Employee Benefit Contributions - Protective Services															
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,362
96110 Property Insurance															\$47,827
96120 Liability Insurance															\$8,029
96130 Workmen's Compensation															\$2,695
96140 All Other Insurance															\$2,888
96100 Total Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,429
96200 Other General Expenses															\$529,747
96210 Compensated Absences															\$13,172
96300 Payments in Lieu of Taxes															
96400 Bad debt - Tenant Rents															\$1,580
96500 Bad debt - Mortgages															
96600 Bad debt - Other															
96800 Severance Expense															
96000 Total Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$544,499
96710 Interest of Mortgage (or Bonds) Payable															
96720 Interest on Notes Payable (Short and Long Term)															\$0
96730 Amortization of Bond Issue Costs															
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,505,629
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$391,959
97100 Extraordinary Maintenance															
97200 Casualty Losses - Non-capitalized															
97300 Housing Assistance Payments															
97350 HAP Portability-In															
97400 Depreciation Expense															\$551,827
97500 Fraud Losses															
97600 Capital Outlays - Governmental Funds															
97700 Debt Principal Payment - Governmental Funds															
97800 Dwelling Units Rent Expense															
90000 Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,057,356
10010 Operating Transfer In															\$1,140
10020 Operating transfer Out															(\$1,140)
10030 Operating Transfers from/to Primary Government															\$0
10040 Operating Transfers from/to Component Unit															
10050 Proceeds from Notes, Loans and Bonds															
10060 Proceeds from Property Sales															
10070 Extraordinary Items, Net Gain/Loss															
10080 Special Items (Net Gain/Loss)															
10091 Inter Project Excess Cash Transfer In															\$0
10092 Inter Project Excess Cash Transfer Out															\$0
10093 Transfers between Program and Project - In															\$245,037
10094 Transfers between Project and Program - Out															(\$271,995)
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$186,826)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,252,907
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0													\$0
11050 Changes in Compensated Absence Balance															
11060 Changes in Contingent Liability Balance															
11070 Changes in Unrecognized Pension Transition Liability															
11080 Changes in Special Term/Severance Benefits Liability															
11090 Changes in Allowance for Doubtful Accounts - Dwelling															
11100 Changes in Allowance for Doubtful Accounts - Other															
11170 Administrative Fee Equity															
11180 Housing Assistance Payments Equity															
11190 Unit Months Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1554
11210 Number of Unit Months Leased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	428
11270 Excess Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$888,750
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR	Assistance Listing Number	Pass Through Entity	Federal Expenditures	Loan Balances	Total
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155	N/A	\$ -	\$ 21,476,104	\$ 21,476,104
Section 8 Project Based Cluster					
Section 8 Housing Assistance Payments Program- Special Allocations	14.195	N/A	10,959,241	-	10,959,241
Cluster Total			10,959,241	-	10,959,241
Housing Choice Voucher Cluster					
Housing Choice Voucher Program	14.871	N/A	2,398,969	-	2,398,969
Emergency Housing Vouchers	14.EHV	N/A	649,082	-	649,082
Mainstream Voucher	14.879	N/A	1,160,022	-	1,160,022
Cluster Total			4,208,073	-	4,208,073
Moving to Work Demonstration Program	14.881	N/A	30,898,766	-	30,898,766
Capital Fund Program	14.872	N/A	259,554	-	259,554
PIH Family Self-Sufficiency Program	14.896	N/A	44,299	-	44,299
Low Rent Public Housing	14.850	N/A	1,507,995	-	1,507,995
Hope IV Cluster					
Choice Neighborhoods Implementation Grants	14.889	N/A	5,846,514	-	5,846,514
Cluster Total			5,846,514	-	5,846,514
Passed through the Tennessee Housing Development Agency:					
Housing Trust Grant	14.275	F20-SG470100	1,557,498	-	1,557,498
Total U.S. Department of Housing and Urban Development					
			55,281,940	21,476,104	76,758,044
U.S. DEPARTMENT OF THE TREASURY					
Passed through the City of Knoxville:					
Coronavirus State & Local Fiscal Recovery Funds	21.027	1505-0271	2,270,000	-	2,270,000
Passed through the Federation of Appalachian Housing Enterprises, Inc.					
Coronavirus State & Local Fiscal Recovery Funds	21.027	0000018409-11	500,000	-	500,000
Total Coronavirus State & Local Fiscal Recovery Funds	21.027		2,770,000	-	2,770,000
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Reinvestment Fund:					
Healthy Food Financing Initiative Grant	10.872	CLSS00000074980	18,102	-	18,102
TOTAL FEDERAL FINANCIAL AWARDS					
			\$ 58,070,042	\$ 21,476,104	\$ 79,546,146

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of accounting

The Schedule of Expenditures of Federal Awards (the “Schedule”) is prepared on the accrual basis of accounting.

Note 2—Basis of presentation

The Schedule includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2025.

The information in this Schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the Authority.

Note 3—Other matters – indirect costs

The Authority has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4—Reconciliation of total federal awards expenditures to financial data schedule

**Reconciliation of Total Federal Awards Expenditures to Statement of Revenues,
Expenses, and Net Position:**

HUD grants	\$ 53,704,732
Capital Fund	19,710
Other Government Grants	15,330,785
Less State and Local	<u>(10,985,185)</u>
Total federal awards expenditures	<u><u>\$ 58,070,042</u></u>

Note 5—Department of housing and urban development loan

The loan balance outstanding at the beginning of the period is included in the federal expenditures presented in the Schedule. The balance of the loan outstanding at June 30, 2025 was \$21,052,528.

SINGLE AUDIT SECTION

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Knoxville's Community Development Corporation ("KCDC") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise KCDC's basic financial statements, and have issued our report thereon dated December 10, 2025. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on KCDC's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of certain discretely presented component units were not audited in accordance with *Government Auditing Standards*, as described in our report on KCDC's financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered KCDC's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCDC's internal control. Accordingly, we do not express an opinion on the effectiveness of KCDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of KCDC's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KCDC's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KCDC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on KCDC's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. KCDC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KCDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Knoxville's Community Development Corporation's ("KCDC") compliance with the types of compliance requirements in the OMB *Compliance Supplement*, that could have a direct and material effect on each of KCDC's major federal programs for the year ended June 30, 2025. KCDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, KCDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of KCDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of KCDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of law, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on KCDC's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about KCDC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform the audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding KCDC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of KCDC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of KCDC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weaknesses identified: No
 Significant deficiencies identified: Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control over major programs:
 Material weaknesses identified: No
 Significant deficiencies identified: None reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.881	Moving to Work Demonstration Program
14.889	HOPE VI Cluster
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects

Dollar threshold used to distinguish between Type A and Type B programs: \$2,386,384

Auditee qualified as low-risk auditee? ___yes X no

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

2025-001 – Significant Deficiency – Correction of an Error

Criteria – During the year ended June 30, 2024, cash received from the THDA was recorded as grant revenue. During the year ended June 30, 2025, KCDC discovered that the funding was structured to be a forgivable loan, rather than a grant.

Condition – June 30, 2024 long-term notes payable and net position were restated to appropriately reflect outstanding debt as of that date.

Cause – Insufficient cross-departmental communication and workload capacity.

Effect – Long term notes payable was understated and net position was overstated by \$1 million as of June 30, 2024.

Recommendation – KCDC should request written agreements supporting all third party funding to determine proper classification of receipts.

Management's Response – Knoxville's Community Development Corporation (KCDC) agrees with this finding and the auditor's recommendation. KCDC has posted the adjusting entry noted above. In addition, KCDC is taking the following actions:

1. Strengthen communication between Finance and other departments.
2. Initiate a formal deal review protocol.
3. Key sections of lengthy closing transcripts or new initiatives will be summarized by other departments to facilitate Finance's review, ensuring critical deal terms or activities are not overlooked.
4. Finance to be provided with all deal documentation, timely, to ensure appropriate financial reporting compliance. In the absence of documentation from departments, Finance will reach out to KCDC's legal team.
5. Staffing increased in departments, mitigating capacity constraints.

Full implementation of the above actions is expected to be completed by June 30, 2026.

Findings and Questioned Costs for Federal Awards

None reported.

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

No prior year findings.

Knoxville's Community Development Corporation's

Multifamily House Rules

Effective 07/01/2026



Table of Contents

ABSENCE FROM HOME.....	4
ABANDONED PROPERTY.....	4
ACCOMMODATIONS OF PERSONS WITH DISABILITIES.....	4
APARTMENT ALTERATIONS.....	5
AUTOMOBILES AND OTHER MOTORIZED VEHICLES.....	5
COMMUNITY APPEARANCE/SANITATION/CLEANLINESS.....	6
DAMAGE & REPAIRS.....	7
FIREARMS/WEAPONS.....	7
FRAUD.....	7
GUESTS, BOARDERS, SUBLETTING.....	8
HANDICAPPED PARKING.....	8
INSPECTIONS.....	8
KEYS /LOCKOUTS.....	9
NO TRESPASS LIST.....	9
PERSONAL AND GUEST CONDUCT.....	10
PERSONAL PROPERTY.....	11
PET OWNERSHIP.....	11
PREVENTION OF BEDBUG INFESTATION.....	11
RENT AND OTHER PAYMENTS.....	12
RULES.....	13
SAFETY/SMOKE DETECTORS/FIRE HAZARDS.....	13
SECURITY DEPOSITS.....	14
TENANT PROCEDURAL RIGHTS.....	14
UNIT ASSIGNMENT.....	15
UTILITIES.....	15
HIGH-RISE BUILDING - ADDITIONAL HOUSE RULES.....	17
VIOLENCE AGAINST WOMEN'S ACT PROVISIONS (VAWA).....	18
AFTER-HOURS EMERGENCY CONTACT.....	21

The following Community House Rules have been established for all Knoxville's Community Development Corporation (KCDC) properties. The Community House Rules are in addition to the requirements of the HUD Model Lease and are affixed to the lease agreement as Attachment #3. Repeated violations of the Community House Rules will be considered a serious violation of the lease agreement. Your cooperation in following the established property rules and regulations is greatly appreciated by Management.

ABSENCE FROM HOME

- A Tenant must notify Management if he/she is planning to be away from home for an extended period of time. KCDC defines an extended absence as 15 continuous days.
- Tenants who are away from home that exceeds 15 continuous days for medical reasons must contact the leasing office at least once every 30 days, continue to pay rent and complete all annual recertification requirements.
- If a Tenant or another family member listed on the Lease must leave the household for more than 30 days, with the intent to return to the household, documentation from the temporary place of residency must be submitted to the Management Office within 10 days of the absence for the purpose of establishing the intent to return to the apartment and continued occupancy.
- Tenants will be held responsible for the apartment during such absence(s) to include:
 - Allowing individuals not on the Lease to stay in your apartment (no "house-sitting"),
 - Utilities must remain paid and active, or
 - No pet sitting in your apartment.

ABANDONED PROPERTY

- A Tenant away from the apartment for an extended and/or unexplained absence for thirty (30) days or more without payment of rent as due is considered to have abandoned the unit.
- KCDC will post an Abandonment Notice on the door for 30 days.
- KCDC will mail a copy of the Abandonment Notice by regular mail, postage paid, to the unit address.
- KCDC will change the locks on the door(s) to secure the unit after the tenth (10th) day of absence.
- After the 30-day period, KCDC will enter the apartment and dispose of any property in accordance with the Tennessee Uniform Landlord and Tenant Act.
- Any charges resulting from removal and disposal of property will be charged to tenant's move-out account.

ACCOMMODATIONS OF PERSONS WITH DISABILITIES

- Tenants may submit a reasonable accommodation request. If the request is approved, KCDC will provide a reasonable accommodation, as necessary, and to the extent required by law to give a disabled person the same opportunity to use and occupy the apartment and to participate in all aspects of the lease and grievance procedures as those of a non-disabled person.
- Accommodations are not considered reasonable if they require a fundamental alteration in the nature of the program or building imposing undue financial and administrative burdens on KCDC.

APARTMENT ALTERATIONS

- Tenants, nor their family members or guests, will not be allowed to destroy, deface, damage or remove any part of the apartment or property.
- Tenants are not to make any alterations to the apartment. This includes, but is not limited to, painting, contact paper, borders, feather painting, wallpaper or any other permanent wall covering. Tacks, nails, screws, fasteners, ceiling fans, locks (chain, slide-lock, deadbolt, etc.) are not to be used without approval from the KCDC management.
- Signs or decorations cannot be installed with nails or screws on interior or exterior doors. Command strips are acceptable alternatives.
- Tenants shall pay all repair or restoration costs incurred by Management due to the Tenant's violation of this rule.

AUTOMOBILES. MOTORIZED VEHICLES. TRAILERS AND SIMILAR VEHICLES

- One vehicle per licensed household member will be permitted.
- For properties with parking garage access no more than one vehicle per household.
- Go-carts, mini-bikes, and battery-operated scooters are not allowed on KCDC property.
- No vehicles over 2 axles may park on the property for any length of time unless pre-approved by management.
- All vehicles must have valid license plates, registration, insurance and be operable.
- With the exception of handicap spaces there are no individually assigned or designated parking spaces.
- The Tenant agrees to park, and cause family members and/or guests to park automobiles and other motorized vehicles in designated parking areas only.
- Parking or driving motorized vehicles on lawns, sidewalks, and common areas other than appropriate streets and driveways is prohibited.
- Tenants are responsible for damage to lawns and other property caused by improper operation or parking of motorized vehicles by themselves or their guest.
- All automotive vehicles improperly parked, inoperable, or with deflated tires, expired license plates, etc., will be towed at the Tenant's expense.
- Washing vehicles is not allowed on KCDC property.
- Tenants are not allowed to make major repairs to any motorized vehicles while parked on KCDC property or on a street bounding or running through the property. Major repairs shall be deemed to include without limitation, the following: removal of more than one tire or wheel, removal of transmission or motor, removal of major body components, placing a car on blocks/jacks, changing oil, and other such repairs.
- Designed car covers are the only allowed covering devices. Tarps are not proper covering devices.
- Vehicles must be registered with the development office to receive a parking permit, where applicable.
- Visitors must park in designated spaces, where applicable.
- Tenants or guests shall not park, store, or keep any trailers on KCDC property at any time. This includes, but is not limited to, utility trailers, boat trailers, travel trailers, camper trailers, food truck trailers, and similar equipment. Any such items found on the property without prior written consent from management shall be considered a violation of the lease and must be removed immediately upon receipt of notice. Failure to comply will result in tagging and towing the trailer at the owner's expense.

COMMUNITY APPEARANCE/SANITATION/CLEANLINESS

- Tenants are responsible for keeping the leased premises, surrounding exterior areas, and dumpster areas clean and free of litter and debris.
- Trash compactors should be utilized by adults only for safety reasons. No garbage can be left outside of the compactor area.
- It is the Tenant's responsibility to dispose of all garbage, rubbish, and other waste from the premises by placing inside containers provided for the collection of garbage on a scheduled basis and otherwise comply with the sanitation ordinances of the City of Knoxville.
- Signs, advertisements, notices, or flyers shall be exhibited or affixed by any Tenant or guest on any part of the exterior of the apartment, building, or any other community property without the express written consent of Management.
- Basketball goals are not permitted in the parking lots or on a common street.
- No swimming pools are permitted on the property, including children's wading pools.
- Tents, gazebos, hammocks and yard swings are not allowed.
- Fire pits, outdoor fireplaces, chimineas, or outside yard torches, etc. are not allowed.
- Children's toys must be stored inside the unit when not in use. This includes toy cars, outside toys, and playhouses. Bicycles and tricycles should not be stored inside of a breezeway, on sidewalks, or in areas that would obstruct pedestrian pathways.
- Food waste, grease or oil of any kind is not to be discarded on the grounds, down sink drains or into storm drains. These items should be enclosed in a plastic or metal can and properly disposed of in an outdoor garbage container (dumpster, city-provided garbage containers).
- Tenants take responsibility for the control of pests, vermin, and offensive odors stemming from unsanitary housekeeping practices.
- Tenants agree to cooperate with Management in pest control inspections and treatment.
- Tenants must keep the inside of the apartment and other areas assigned for their exclusive use (including apartment door exterior, the porch and/or yard areas in the front and rear of apartment, if applicable) in a clean and livable condition.
- Tenants will limit porch furniture to furniture designed for outdoor use only.
- Tenants agree not to erect or hang radio, television antennas, satellite dishes, or outdoor lights on or from any part of the apartment/building without written permission from KCDC.
- All residents must have blinds, shades or curtains unless metal protection screens are in place. No sheets, blankets, towels, paper, plastic or foil may be used as window coverings. Charges will apply if window treatments are installed improperly or damaged after installation.
- Hanging items from porch rails, ceilings, balconies, and eaves (potted plants, drapes, flags, etc.) is prohibited.
- Tenants wishing to plant gardens should get prior approval from management. If approved, tenant agrees to keep the garden area properly maintained.
- Shopping carts are not allowed to be maintained on property. Charges may result for removal of carts from apartments, common area or outside areas.
- Unwanted items (decorations, clothing, furniture or food) should not be placed in common areas.
- If KCDC must clean and/or remove items, the Tenant will be charged according to maintenance fees as posted in the Management Office.

DAMAGE, REPAIRS AND MAINTENANCE WORK ORDERS

- The Tenant agrees to notify KCDC promptly if repair work is needed in the apartment and of any unsafe condition in common areas or grounds which may lead to damage or injury.

- The Tenant will allow KCDC to enter the apartment to make the repairs needed.
 - The Tenant understands failure to allow maintenance to make needed repairs or maintenance service may result in the charges to their account.
- Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:
 - The cost of all repairs and do so within 45 days after receipt of the Landlord's demand for the repair charges; and
 - Rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant *agrees to pay the HUD-approved market rent* rather than the Tenant rent shown in this agreement.
- Maintenance requests should be submitted through resident portal, phone, or email to management, or in person at the management office.
- If extensive repairs require KCDC to relocate a Tenant to alternative accommodations and the Tenant signs a hotel contract but fails to stay at the hotel the Tenant will be responsible for the cost.

FIREARMS/WEAPONS

- Discharging or threatening the use of a firearm or other weapon on KCDC property is prohibited.
- The Tenant understands it is his/her responsibility to ensure no household member, guest, or other person in Tenant's control should discharge or threaten use of a firearm or weapon on or near property.
- This rule shall not interfere with a Tenant's lawful right to possess a firearm within the confines of the Tenant's dwelling unit. Tenants who have a Tennessee firearm license, or who use firearms for sporting events, target practice, hunting, or any other lawful purpose may carry their firearm directly to and from their apartment and vehicle provided that the weapon is unloaded, in a carrying case, or disassembled, and carried in a non-threatening manner.
- Violations of any provision of this rule shall be considered a threat to the health and safety of other Tenants and Management staff.
- Tenants are prohibited from bringing firearms of any type into the rental office or other common areas.
- Devices that propel a projectile (such as fireworks of any type, BB, pellet and/or air guns, bow and arrows, sling shots, Orbeez "water pellets", etc.) are not allowed outside the unit.

FRAUD

The Tenant agrees not to commit fraud by giving false information or withholding information in connection with any Federal housing assistance program. This includes, but is not limited to, providing information on all household members, and/or all individuals who are approved to live in the household.

GUESTS. BOARDERS. SUBLETTING

- The dwelling unit shall be occupied only by persons named in the Tenant's dwelling lease and shall be used for tenant purposes only. Tenant must obtain written approval from Management prior to allowing any additional person(s) to move into the unit.

- Tenants are responsible for their guests' behavior while on the property and must always accompany them in common areas.
- No guest will be permitted to visit overnight or remain overnight on a regular basis for more than 14 nights within any twelve-month period.
- Boarders or subletting the apartment is prohibited. Only those individuals listed in the dwelling lease are permitted to reside in the apartment.
- The Tenant or members of the household may engage in legal profit-making activities in the apartment only with prior written approval from KCDC Management.
- I understand, with prior KCDC approval, a 'Live-In Aide' may reside in my apartment to assist me or a listed family member with necessary supportive services.
 - A 'Live-In Aide' is not considered a member of the household for family composition purposes but is considered to be a person under my control for all other purposes under the Lease.
 - In the event the household dissolves or the person being served by the 'Live-In Aide' no longer resides in the unit, the 'Live-In-Aide' must vacate the apartment.

HANDICAPPED PARKING

- The reserved designated spaces are to be occupied only by vehicles displaying the proper **HANDICAPPED** vehicle identification. Vehicles parked in handicapped designated spaces without proper handicapped identification will be towed at the owner's expense.

INSPECTIONS

- Management will inspect the home *at least* annually after giving proper notice to the Tenant.
 - Move-In Inspection: KCDC and I will inspect my apartment before signing the Lease. The Inspection Report, signed by KCDC and myself, will state the condition of my apartment and will note any equipment or appliances in the unit provided by KCDC. KCDC will correct any deficiencies noted on the Inspection Report as needed and if financially reasonable. Tenant has five (5) days from signing the move-in inspection to report any new deficiencies not discovered during the initial inspection. A copy of the Inspection Report will be kept in the tenant file and a copy may be requested.
 - Annual Reexamination Inspection: With proper notice, KCDC will inspect my apartment as part of the scheduled Annual Reexamination of my eligibility. KCDC will correct any deficiencies noted as needed during the annual inspection and conduct repairs as required by HUD regulations. Tenant will be charged for damages/repairs beyond normal wear and tear as noted in my annual Inspection Report.
 - Move-Out Inspection: KCDC will inspect my apartment at the time I move out and will send me a written statement of any damages beyond normal wear and tear. I may be present at the inspection. Any damages assessed will be charged to my move-out account statement.
 - Other Inspections: As required by KCDC, HUD or third-party property investor with reasonable notice.

KEYS /LOCKOUTS

- The tenant agrees that unit keys must be returned to Management Office prior to moving from an apartment. Tenants continue to be charged rent until keys are received.
 - The Tenant, or someone designated by the Tenant, must turn in the keys and sign

- the 'Notice of Intent to Vacate/Relocate' form available at the Management Office.
 - This action will serve as proof that the keys have been accepted at the office and that the unit has been returned to KCDC's control.
 - At that time, management will stop charging rent for the unit.
 - Items remaining in the unit will be disposed of by KCDC and there may be charges for removal.
- If the Tenant is locked out of the unit after office hours, it will be necessary to wait until the next business day to arrange for apartment entry. KCDC does not have after-hours service for tenants who lock themselves out of their units.
- If Tenant chooses to call a locksmith, it will be at the tenant's expense. This would include replacing the new lock installed with a KCDC-approved lock.
- If the Tenant is locked out during office hours, KCDC will perform a courtesy unlock unless it becomes excessive.
- All keys and fobs to house/apartment, P.O. boxes, etc., must be returned to Management when Tenant moves, and a charge may be assessed for each key or fob not returned, not to exceed **actual cost**. Tenant may still be charged rent and fees if proper notice is not given.

NO TRESPASS LIST

- No barred persons listed on KCDC's No Trespass List will be allowed in the apartment or on the premises. A barred person is defined as a person that has been served with a "No Trespass Letter" from any property owned or managed by KCDC.
- The barred person will be considered in violation of the No Trespass rule should s/he return to any property owned and/or managed by KCDC.
- The Tenant acknowledges that KCDC has the right to bar, from KCDC properties, any non-tenant who has engaged in either drug-related criminal activity on or off KCDC properties or other activities that pose a threat to the health or safety of KCDC tenants or staff.
- The Tenant and all members of the household agree not to allow any person who is under a KCDC 'No Trespass' notice to be in the apartment or common areas; the tenant's signature may be required on a letter of understanding as documentation of the tenant's understanding of a person's barred status.

PERSONAL AND GUEST CONDUCT

- The Tenant will act and cause household members or guests to act in a manner which will not disturb other tenants' peaceful enjoyment of their premises and in a way that will keep the property in a decent, livable, and sanitary condition. Prohibited activities include, but are not limited to:
 - KCDC quiet time is observed between 10:00 pm and 7:00 am.
 - Quiet hours do not mean you have to be completely silent. Regular conversations, watching television or any other sound you can contain in your apartment should still be acceptable. Noises should be kept at a low or minimal level as not to disturb your neighbors.
 - Illegal use and/or possession of a firearm, excessive noise at any time, loitering or activities resulting in police intervention.
 - Parents will be held accountable for the actions of their children at all times. The City of Knoxville and Knox County ordinances state minors have curfews depending on age.
 - Social gatherings in common areas (social halls, parking lots, etc.) are not

- permitted to be held on property
 - The total number of guests for social gatherings held within individual apartments should not exceed one person per 150 sq. ft. Please consult your management staff prior to your event.
 - **Tenant agrees to act in a cooperative manner with neighbors and KCDC staff.**
 - Tenant agrees not to act or speak in an abusive or threatening manner toward neighbors or KCDC staff.
- The Tenant assures that neither they nor any member of the household or guests will engage in any drug-related criminal activity on or off any KCDC property. Such activity is defined as the existence of drug paraphernalia, or the illegal manufacture, sale, distribution, use or possession with the intent to manufacture, sell, distribute, or use a controlled substance.
 - Note: An activity may be defined as a criminal act without an arrest or conviction.**
- The Tenant assures that neither they nor any member of the household, guest under Tenant's control will engage in any criminal activity that threatens the health, livability or right to peaceful enjoyment of the premises by other tenants or employees of KCDC.
- The Tenant assures that no member of their household, guest or visitor will engage in abuse or a pattern of abuse of alcohol that affects the health, safety, or right to peaceful enjoyment of the premises by other tenants. Open alcoholic beverages are against the law and are not allowed outside the tenant's unit.
- KCDC will terminate the Tenant's tenancy if it determines that:
 - The Tenant or any member of the household has ever engaged in the manufacture or production of methamphetamine.
 - The Tenant or any family member has been required to register as a Sex Offender under a State sex offender registration. The offender will be required to move from the apartment within 30 days and will be barred from receiving housing assistance for life.
- KCDC may terminate tenancy if anyone in the household or guest is fleeing to avoid prosecution or arrest or to avoid custody or confinement for a crime or attempt to commit a crime; or is violating a condition of probation or parole imposed under Federal or State Law.

PERSONAL PROPERTY

- I understand that KCDC maintains insurance on its properties but does not provide renter's insurance covering my personal property. KCDC strongly encourages all tenants to obtain renter's insurance to protect personal items. My signature below acknowledges I accept responsibility for insuring my personal property and, if applicable, securing the required liability coverage for a pet or legal profit-making business.
- All personal property placed in the apartment or on the premises by a Tenant or guests shall be at the Tenant's sole risk, and Management shall not be liable for any damage, loss, theft, or destruction thereof unless caused by the negligence or intentional acts of Management.
- Management will not be responsible for accepting any packages received on behalf of the Tenant.
- Management is not responsible for missing, damaged or stolen packages delivered to KCDC property.

PET OWNERSHIP

- I agree to comply with the KCDC Pet Policy, including obtaining written permission **prior to housing a pet.**
- Any stray, unauthorized, or unleashed pet(s) will be removed from the property.
- Pets of guests are not allowed. This includes no visiting pets or "pet-sitting".

- The property's Pet Policy does not pertain to animals that assist, support or provide service to persons with disabilities. However, rules for service animal registration, maintenance and sanitary requirements are contained in KCDC's Reasonable Accommodation Policy.
- Walk pets only in designated areas away from buildings and sidewalks.
- Pets are not allowed in common areas.
- Charges may be assessed for failure to properly clean and dispose of pet waste.
- Pets must be on a leash when outside of your apartment and under your control at all times as outlined in the City Lease Ordinance.
- Pets must not be left unattended on porches, patios, balconies, chains, yards, etc.

PREVENTION OF BEDBUG INFESTATION

- Tenants are expected to fully cooperate with the treatment efforts of Management and/or third-party pest control contractors, including heat treatments. This also includes refraining from placement of infested furniture or other items in common areas such as hallways or breezeways. Tenant cooperation is necessary in order to expedite the control of bedbugs and prevent spreading of infestations.
- Management requires that Tenants immediately report any signs of bedbug infestation in the apartment and fully cooperate with Management in their attempts to keep the apartment and complex free from bedbug infestation. Failure to report an infestation or cooperate with remediation will be deemed a substantial violation of the lease agreement and grounds for termination of the lease.
- Tenant accounts may be charged a service fee of **\$50** if the unit is not prepared on the day of scheduled treatment. If treatment must be rescheduled a second time a service fee of **\$100** will be charged. Failure to notify management within 24 hours in advance if a reschedule is needed will result in a lease violation and grounds for termination of the lease.
- The best approach to bedbug management is to prevent infestation from occurring. You can assist by doing the following:
 - Checking for bedbugs on luggage and clothes when returning home from a trip;
 - Bringing in discarded or abandoned household items (beds, sofas, chairs, etc.) is discouraged;
 - Reporting any and all signs of bedbugs found in your unit;
 - Reducing clutter where bedbugs can hide;
 - Regularly check beds and linens.

RENT AND OTHER PAYMENTS

• Rental Payments

The Tenant understands that all rent payments, including minimum rent, are **due on the 1st day of the month**. Payments may be made by check, money order, credit card or debit card at the Management Office, KCDC's Main Office or online at www.kcdc.org. Automatic Draft is available for those who prefer to schedule monthly payments. The Tenant understands that payment of rent is accepted with full reservation of rights and does not rescind current and/or pending legal action.

Liberty Place tenants understand all rent payments, including minimum rent, are **due by the 10th day of the month**. Payments may be made by check, money order, credit card or debit card at the Management Office, KCDC's Main Office or online at www.kcdc.org. Automatic Draft is available for those who prefer to schedule monthly payments. The Tenant

understands that payment of rent is accepted with full reservation of rights and does not rescind current and/or pending legal action.

- **Minimum Rent**

The Tenant understands that KCDC charges a minimum rent of \$25. If income-based rent is less than \$25, the Tenant understands the set minimum rent must still be paid. If KCDC revises the minimum rent amount due to a change in federal guidelines and/or requirements, then at least a 30-day notice of the new minimum rent will be provided.

- **Other Charges**

In addition to the monthly rental payment, the Tenant agrees to pay charges for maintenance and repairs to apartment beyond normal wear and tear. The maintenance and repair charges will not exceed actual material costs plus labor costs as posted in the Management Office and are due within forty-five (45) days after receipt of a written notice.

- **Overdraft/Non-Sufficient Funds Fees**

The Tenant understands the Actual Cost imposed by KCDC's financial institution will be charged to their account for any payment returned for non-sufficient funds.

- **Unpaid Rent/Legal Charges/Attorney Fees/Costs**

If my rent or other charges remain unpaid for 30 days, a Detainer Warrant will be issued and a court date will be set. I understand if I fail to pay, in full, the amount of judgment obtained by KCDC, management will seek a Writ of Possession, which will result in the removal of my personal property from the apartment (Set Out).

- **Legal Charges**

Charges from the Detainer Warrant, Writ of Possession, and/or Set-Out will be added to tenant account should judgment be awarded to KCDC. After move out all remaining monies owed will be turned over to a collection agency.

- **Attorney Fees/Costs**

Reasonable attorney fees and collection costs may be included in the amount owed. Future eligibility for affordable housing may be based, in part, on complete payment of all monies owed KCDC.

- **Market Rate Units Only**

KCDC offers the following leasing options:

Condensed Lease Terms	Fee
12-Month Lease	Applicable monthly rent
6-Month Lease Fee (In addition to rent)	\$75.00
9-Month Lease Fee (In addition to rent)	\$50.00
Month-to-Month (In addition to rent)	\$100.00

Market rate tenants wishing to break their lease prior to the renewal period must submit 30 days' notice of intent to vacate. A lease break fee equal to two months' rent will be charged in addition to the monthly rent amount until the lease term ends.

RULES

Management reserves the right to make reasonable rules for the safety, care, and cleanliness of the property.

SAFETY/SMOKE DETECTORS/FIRE HAZARDS

- The Tenant agrees not to disconnect, interfere with, cover or remove the smoke detector, fire extinguisher or carbon monoxide detectors. The Tenant will report immediately to the Management Office any needed repair or malfunction of previously mentioned safety devices. Failure to do so may result in a charge of a **\$80** service fee and/or termination of tenancy.
- The Tenant agrees not to block hallways, sidewalks, doorways, stairs, stairwells, elevators and common areas.
- If a room has only one window, the Tenant must not block the window with an air conditioner, furniture, etc. Cables, cords, and wires must not create a tripping hazard.
- The Tenant agrees to abide by all applicable requirements of the building and housing codes that affect health and safety.
- The Tenant agrees not to bring flammable or explosive-causing materials into the apartment. This includes, but is not limited to, motorbikes, acid-based vehicle batteries (except for handicap mobility devices), gasoline-powered equipment, kerosene heaters, fireworks, propane gas, fuel containers, or propane tanks.
- The Tenant agrees to be careful to prevent fires and to report any fire immediately to 911 and then to the Management Office. The Tenant agrees to clean the apartment if it is damaged by smoke and to pay for any damages if the fire was caused by the Tenant or his/her family, or guests.
- The tenant agrees personal grills are not allowed due to the combustible construction materials of decks or porches at the following locations: The Verandas, Passport, Autumn Landing, Nature's Cove, Mechanicsville and First Creek Properties.
- Properties where grills are allowed include: Residences at Lonsdale, North Ridge Crossing, Western Heights, Montgomery Village, Five Points 2, Five Points 3 and Five Points 4. The tenant agrees personal grills must be operated at least 10' away from any building, structure or railing. Charcoal must be allowed to cool and then disposed of properly in the garbage receptacles provided at the property. Once the grill has cooled and the charcoal has been removed, grills should be returned to an acceptable storage location outside of the apartment (back door, back porch, front porch, etc.).

SECURITY DEPOSITS

- KCDC requires security deposits to be paid at the time of lease signing. The amount of the security deposit will be equal to the greater amount of monthly Total Tenant Payment (TTP) or \$50. **To be eligible for a refund of the Security Deposit Tenant must provide the Landlord with a 30-day written notice of intent to move or Security Deposit will be considered forfeited and will not be applied toward rent or damages.** KCDC will use the Security Deposit at the termination of this Lease for the following purposes:
 - To be applied to unpaid rent or other charges I owe at the termination of my lease.
 - To reimburse costs of repairing any intentional or negligent damage to the unit.
 - The Security Deposit may not be used to pay rent or other charges while I occupy

my unit and will not be refunded until KCDC has inspected the unit.

- Unit inspections are retained in my file and available from the management office upon request. I understand I have a right to request to accompany management staff at any unit inspection.
- KCDC shall provide, within 30 days, a written statement of any costs for damages or other charges deducted from the Security Deposit. Any portion of the Security Deposit remaining will be mailed to the forwarding address provided. If no forwarding address is provided, KCDC will retain funds up to 90 days at the Main Office located at 901 N. Broadway Knoxville, Tennessee 37917.
- Refunds of Security Deposits not claimed within 90 days of the written statement will be considered unclaimed and will be transferred into a separate account, at which time I no longer have claim to funds, nor any person claiming the funds on my behalf.

TENANT PROCEDURAL RIGHTS with Required 30 Day Notice

- Termination of Tenancy
 - As a condition of conversion to RAD/PBRA a new lease will be required.
 - If health or safety of other tenants, Management staff, employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction; or
- Termination of Assistance
 - In all other cases, the requirements at 24 CFR 880.603, the Multifamily HUD Model Lease, and other HUD multifamily administrative guidance shall apply.

- Grievance Process

In addition to program rules that require Tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to Tenant-paid utilities, or a reduction in Tenant paid utility allowances, etc.), the following procedural rights will apply with the requirements of Section 6 of the Act in conjunction with the KCDC Grievance Procedure. RAD properties require that:

Tenants will receive written notice of the specific grounds of the proposed Management adverse action, as well as their right to an Informal Hearing with Management;

Requesting the Informal Hearing:

Tenant must present a written request for an informal hearing to the Management Office within ten (10) calendar days of Termination of Tenancy notice.

Informal Hearing:

Within a reasonable time (generally within thirty (30) calendar days) after the request for the conference, KCDC's informal hearing officer will meet with management, the tenant and/or my representative.

Summary of the Informal Hearing Outcome:

Within a reasonable time (generally ten (10) business days) after the informal hearing, KCDC will prepare a written summary. The tenant will be provided with the informal

hearing officer's decision stating whether the termination is upheld, rescinded or other action. If upheld, the next step would be to proceed to a court hearing.

Failure to Attend the Informal Hearing

Failure to attend the Informal Hearing without good cause and prior notice will result in the termination of tenancy being upheld and legal process will continue.

UNIT ASSIGNMENT

- The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards in the Tenant Selection Plan attachment to these rules. The standards include consideration of unit size, relationship of family members, age and sex of family members, Housing Authority preference system and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant must:
 - Relocate within the property, at the tenant's expense, 30 days after the Landlord notifies the head of household that a unit of the required size is available; or
 - Remain in the same unit and pay the HUD-approved market rent.
 - Transfers will be conducted as outlined in the Transfer Policy - attachment to these rules.

UTILITIES

- The utility allowance (if applicable) for this property are posted in the Management Office.
 - The Tenant understands that if renting a property where KCDC does not supply electricity, gas, or water and sewer services, an allowance will be established based on the size and type of apartment.
 - At all locations, a range and refrigerator are provided by KCDC at no charge.
 - **The Tenant understands that choosing to use non-KCDC, personally owned appliances means they take responsibility for keeping them in good working condition at all times.**
 - Where connections exist, a washer and dryer are allowable with proper installation and venting. KCDC is not liable for maintenance or damage of tenant-owned washer/dryer. Tenants are encouraged to carry renter's insurance.
 - Air conditioning window units are not allowed where air conditioning units are provided by KCDC or if there is only one window per room.
 - The Tenant understands the utility account with KUB must be in the head of household name, where applicable, with current service at all times during the term of this Lease. Failure to maintain a current account with KUB will result in termination of tenancy from the apartment.
-

HOUSE RULES ITEMS SPECIFIC TO HIGH-RISE LOCATIONS

GARBAGE CHUTES/TRASH ROOMS

- All garbage must be bagged and tied before being placed in the chute/trash room.
- Used needles must be placed in plastic containers before putting them down the chute or in the trash room.
- **Cat litter MUST be bagged, tied and taken to the outside dumpsters.**
- Cardboard boxes must not be placed in trash chutes/trash rooms.

HALLWAYS

- Keep hallways clear of items, including doormats. These are considered trip hazards.

PERSONAL APPEARANCE

- Dress in proper street attire and shoes when outside of your apartment. Refrain from wearing slippers, housecoats, pajamas or bathing suits outside your apartment.

MAIN DOORS/FIRE EXIT DOORS

- Keep all main doors and fire exit doors closed at all times.
- Opening entrance doors and loaning FOB keys to others is not permitted.

VIOLENCE AGAINST WOMEN'S ACT PROVISIONS

Based on the provisions of the Violence Against Women's Act (VAWA) of 2005 and Reauthorization Act of 2013, and the Consolidated Appropriations Act of 2022, which included the Violence Against Women Act Reauthorization of 2022 (VAWA 2022). VAWA 2022, reauthorizes, amends, and strengthens VAWA by adding to and not replacing existing housing protections for survivors. The Reauthorization Act of 2022 revises definitions of existing "Domestic Violence" and adds the definitions of Economic Abuse and Technological Abuse.

The statutory definitions are as follows:

Domestic Violence

The term 'domestic violence' includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person, who:

- Is a current or former spouse or intimate partner of the victim, or person similarly situation to a spouse of the victim;
- Is cohabitating, or who has cohabitated, with the victim as a spouse or intimate partner;
- Shares a child in common with the victim; or
- Commits acts against a youth or adult victim who is protected from those acts under the family or domestic violence laws of the jurisdiction.

Economic Abuse

The term "economic abuse", in the context of domestic violence, dating violence, and abuse in later life, means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resource to which they are entitled, including using coercion, fraud, or manipulation to:

- Restrict a person's access to money, assets, credit, or financial information;
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage; or
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or failing or neglecting to act in the best interests of a person to whom one has fiduciary duty.

Technological Abuse

The term "technological abuse" means an act or pattern of behavior that occurs within domestic violence, sexual assault, dating violence or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor, except as otherwise permitted by law, another person, that occurs using any form of technology, including but not limited to: internet enabled devices, online spaces and platforms, computers, mobile devices, cameras and imaging programs, apps, location tracking devices, or communication technologies, or any other emerging technologies.

Nonretaliation

KCDC will not discriminate against any person because that person has opposed any act or practice made unlawful by the Violence Against Women Act or because that person testified, assisted, or participated in any matter related to the Violence Against Women Act or a VAWA crime.

Noncoercion

KCDC shall not coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any rights or protections under the Violence Against Women Act including:

1. Intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under the Violence Against Women Act.
2. Retaliating against any person because that person has participated in any investigation or action to enforce the Violence Against Women Act.

Protection to Report Crimes from Home

KCDC, tenants, occupants, service providers, guests and applicants:

1. Shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance; and
2. Shall not be penalized based on their requests for assistance or based on criminal activity of which they are a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by governmental entities. Prohibited penalties include:
 - a. Actual or threatened assessment of monetary or criminal penalties, fines or fees.
 - b. Actual or threatened eviction.
 - c. Actual or threatened refusal to rent or renew tenancy.
 - d. Actual or threatened refusal to issue occupancy permit or landlord permit.
 - e. Actual or threatened closure of the property, or designation of the property as a nuisance or a similarly negative designation.

Tenants and family members of tenants who are victims of domestic violence, dating violence, or stalking will not be denied, evicted or terminated from housing assistance based on acts of violence against them. At lease signing, Management will have Tenants execute the VAWA Lease Addendum (HUD form 91067.)

When responding to an incident or incidents of actual or threatened domestic violence, dating violence or stalking that may affect a current Tenant's participation, Management will request in writing that an individual complete, sign and submit, within 14 business days of the request, a HUD Form 91066 Certification of Domestic Violence, Dating Violence or Stalking, whereby the individual certifies that he/she is a victim of domestic violence, dating violence, or stalking, and that the incident or incidences in question are bona fide incidences of such actual or threatened abuse, along with any available documentation of the abuse.

In lieu of a certification form, or in addition to the certification form, a Tenant may provide one of

the following: (1) a Federal, State, tribal, territorial, or local police record or court record; (2) documentation signed and attested to by an employee, agent or volunteer of a victim service provider, an attorney or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking, or the effects of abuse, in which the professional attests under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, or stalking has signed or attested to the documentation.

If the individual does not provide the form HUD-5382 or the information that may be provided in lieu of the certification by the 14th business day or any extension of that date provided by Management, none of the protections afforded to the victim of domestic violence, dating violence or stalking will apply. Management will therefore be free to evict, or to terminate assistance, in the circumstances authorized by otherwise applicable law and lease provisions.

All information provided to Management relating to the incident(s) of domestic violence, including the fact that an individual is a victim of domestic violence shall be retained in confidence and shall neither be entered into any shared database nor provided to any related entity, except to the extent that such disclosure is (i) requested or consented to by the individual in writing; (ii) required for use in an eviction proceeding or termination of assistance; or (iii) otherwise required by applicable law.

Management will retain all documentation relating to an individual's domestic violence, dating violence or stalking in a separate file that is kept in a separate secure location from the other Tenant files.

As a result of VAWA 2022, HUD will be providing revisions and updated VAWA forms including those provided below. KCDC will implement these form revisions immediately upon HUD release.

- Notice of Occupancy Rights (Form HUD-5380)
- Relocation Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking (Form HUD-5381)
- Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking and Alternate Document (Form HUD-5382)
- Emergency Relocation Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5383)

Property Name	Phone Number	Property Name	Phone Number
Isabella Towers	(865) 403-1340	Mechanicsville	(865) 427-2850
Western Heights LP	(865) 403-1420	The Verandas	(865) 427-2850
Autumn Landing/Nature's Cove	(865) 403-1422	Valley Oaks	(865) 427-2850
First Creek Phase I	(865) 357-2348	Passport Properties	(865) 427-2850
Guy B. Love Towers	(865) 403-1360	Liberty Place	(865) 427-2850
Residences at Lonsdale Homes	(865) 403-1350	Five Points Senior Duplexes	(865) 403-1390
Northgate Terrace	(865) 403-1400	Five Points Family Multiplexes	(865) 403-1390
Cagle Terrace	(865) 403-1310	Five Points Infill	(865) 427-2850
Montgomery Village	(865) 403-1380	Five Points 2	(865) 403-1390
North Ridge Crossing	(865) 403-1320	Five Points 3	(865) 403-1390
The Vista at Summit Hill	(865) 403-1300	Five Points 4	(865) 403-1390
Residences at Eastport I	(865) 403-1390	Residences at Eastport II	(865) 403-1390
Bell Street 3 @ Austin Phase II	(865) 357-2348	Overlook @ Western	(865) 403-1420
Bell Street 2 @ Austin Phase III	(865) 357-2348		

After-Hour Emergency Number

(865) 403-1200

I have read and received a copy of the House Rules and agree to abide by these policies and procedures. I understand management at any time can make revisions.

The head of household understands they will be held responsible for any rule violations committed by guests while on KCDC property.

MANAGEMENT AGENT

TENANT (HEAD OF HOUSEHOLD)

TITLE

DATE

TENANT

TENANT

TENANT

DATE

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

TENANT SELECTION AND ASSIGNMENT PLAN

DRAFT

2026



Table of Contents

INTRODUCTION.....	4
BUSINESS RELATIONSHIP	4
1.0 PRIVACY POLICY	5
2.0 FAIR HOUSING POLICIES	5
3.0 HUD HOUSING VOUCHERS.....	6
4.0 NON-DISCRIMINATION AND ACCESSIBILITY	6
5.0 TAKING APPLICATIONS.....	7
6.0 ELIGIBILITY FOR ADMISSION	8
6.1 SINGLE RESIDENCE	9
6.2 ELIGIBILITY CRITERIA	9
6.3 SUITABILITY CRITERIA	18
6.4 GROUNDS FOR DENIAL	19
B. Ineligibility Notification/Informal Review/Formal Hearing.....	20
7.0 MANAGING THE WAITING LIST.....	21
8.0 TENANT SELECTION AND ASSIGNMENT.....	23
9.0 UNIT TRANSFERS.....	26
10.0 VERIFICATION.....	28
11.0 INCOME LIMITS AND TARGETING REQUIREMENTS.....	29
11.1 TOTAL TENANT PAYMENT AND MINIMUM RENT HARDSHIP	30
12.0 SECURITY DEPOSITS	31
13.0 LEASING PROCESS	32
14.0 UNIT INSPECTIONS.....	32
15.0 ANNUAL RECERTIFICATION REQUIREMENTS.....	33
16.0 INTERIM CERTIFICATION REPORTING POLICY.....	34
17.0 TENANT PROCEDURAL RIGHTS UNDER PROJECT-BASED RENTAL ASSISTANCE DEMONSTRATION (PBRA-RAD) / LOW-INCOME TAX CREDIT	36
18.0 CHOICE MOBILITY RIGHTS UNDER RAD/PBRA	37
19.0 PETS.....	37
20.0 CHANGES IN HOUSEHOLD COMPOSITION – ADDING HOUSEHOLD MEMBERS	38
21.0 CHANGES IN HOUSEHOLD COMPOSITION – REMOVING HOUSEHOLD MEMBERS	39
22.0 HOUSEHOLD SPLIT	39
22.1 HOUSEHOLD SPLIT – SECURITY DEPOSITS	39
23.0 CHANGES TO THE TENANT SELECTION PLAN.....	40

24.0 SMOKING POLICY 40

25.0 MISREPRESENTATION 40

26.0 FRAUD/MISREPRESENTATION 41

27.0 ERRORS CAUSED BY KCDC, SERVICE BUREAU OR SOFTWARE 42

Appendix A – Income Limits and Occupancy Standards 43

Appendix B – Request for Reasonable Accommodation or Modification 44

Appendix C – Citizen/Non-Citizen Eligibility 45

Appendix D – Verification of Household Composition 49

Appendix E – Fair Housing and Other Civil Rights Protections 52

Appendix F – KCDC Housing Portfolio Overview 62

Tenant Selection and Assignment Plan

INTRODUCTION

The objective of this Tenant Selection Plan is to consolidate relevant policies and procedures affecting tenant selection pursuant to applicable federal and state laws and the Tenant Selection Regulations published by the HUD Occupancy Handbook – 4350.3 Rev.1, and the Rental Assistance Demonstration (RAD) Final Rule (PIH 2012-32).

The Tenant Selection Plan sets forth procedures for processing and selecting applicants, including the establishment of program eligibility, occupancy standards, rejection standards, reviews and appeals of rejection decisions, notice requirements, as well as, continued occupancy. If there is any conflict between this policy and HUD's regulations, HUD's regulations will prevail.

BUSINESS RELATIONSHIP

The relationship between a landlord (owner/agent) and a tenant or applicant is a business relationship.

A courteous and businesslike attitude is required from both parties. The owner/agent reserves the right to conduct business with anyone who is verbally abusive, swears, is disrespectful, makes threats, uses discriminatory language, appears to be intoxicated or under the influence of alcohol or drugs, is argumentative, or in general displays an attitude, at any time, which causes the owner/agent or the property staff to believe we would not have a positive business relationship.

If an applicant or any member of the applicant's family demonstrates unprofessional behavior in the presence of the management team or other tenants/applicants, the applicant, the applicant's family and other members of the applicant's entourage (if applicable) will be required to leave the property and the application will be rejected.

If the applicant or any member of the applicant's family exhibits threatening behavior, appears to be intoxicated or under the influence of alcohol or illegal drugs or attempts to intimidate the staff, the applicant, the applicant's family and other members of the applicant's entourage (if applicable) will be required to leave the property, and the application will be rejected.

If the applicant or any member of the applicant's family is not appropriately attired, when visiting the management office, the applicant will be asked to leave. Appropriate attire includes shoes, shirts and pants, shorts or skirts.

Unacceptable attire includes, but is not limited to:

- Pajamas
- Bathing suits
- Clothing that allows display of foundation garments (underwear)
- Clothing with inappropriate language or pictures

The use of cell phones or other devices is not allowed when engaging with the property staff. If an applicant/tenant is participating in a cell phone call, texting, reading a text or otherwise using any electronic device (not necessary to alleviate the symptoms of a disability), the property staff will discontinue any communication until the applicant is able to “disengage”.

To ensure the privacy of property staff, tenants and applicants, use of cell phones or other electronic devices, except those necessary to alleviate the symptoms of a disability, by tenants or applicants, is not allowed in the management office.

Animals, (other than assistance animals necessary to allow the applicant/tenant to conduct business with the owner/agent) are not allowed in the management office and/or common areas. All animals must always be on a leash or harness and under the control of their owner. (Refer to House Rules/Pet Policy-ADA.gov)

Children are always welcome. When in the management office, minors must be supervised by their parent or guardian. Property staff are not responsible for childcare or supervision.

Aside from standard property charges, property staff are not permitted to accept any money, gifts, services or favors connected with the application process or associated with any aspect of residency on this property. If property staff solicits any mandatory payment for any part of the application process, the applicant should notify the property staff or KCDC.

1.0 PRIVACY POLICY

It is the policy of KCDC to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the owner/agent.

Neither KCDC nor its agents shall disclose any personal information contained in its records to any person or agency, other than HUD, its Contract Administrators or other federal/state entity or investor auditing entities, unless the individual about whom information is requested gives written consent to such disclosure. Such consent may be provided in an equally effective manner, as a reasonable accommodation, when there is the presence of a disability.

This Privacy Policy in no way limits KCDC's ability to collect such information to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

2.0 FAIR HOUSING POLICIES

Information about civil rights protections provided through the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, the Limited English Proficiency Final Rule, the Equal Access Final Rule and the Violence Against Women Reauthorization Act are all included as Appendix E of this Tenant Selection Plan.

3.0 HUD HOUSING VOUCHERS

KCDC may admit an applicant with a voucher to a unit with Section 8 assistance to those individuals who are a current Section 8 Housing Choice Voucher participant with an issued voucher.

If KCDC discovers that any household member failed to give up current HUD housing assistance before moving to a KCDC property, no rent subsidy or utility allowance will be provided by the Department of Housing and Urban Development until the day after the move out/surrender is complete.

Household members who sign the lease will be responsible for paying the market rent until they are qualified to receive HUD assistance on this property. Any assistance paid in error must be returned to HUD.

Applicants should consult with the local HUD office if the former landlord is accepting subsidy after move-out.

Please note that housing assistance provided through HUD's multi-family housing program is not the same as the housing assistance provided through the voucher program. If any family member moves out, the housing subsidy will not move with the family as it does with a voucher. The family will be required to re-apply to a PHA to receive another voucher.

KCDC offers subsidized housing for income-based rent where tenants will pay rent based upon the household income. Additionally, KCDC offers low-income housing tax credit as well as market rent opportunities. See Appendix E for a chart of available programs within KCDC's Housing Portfolio.

4.0 NON-DISCRIMINATION AND ACCESSIBILITY

It is the policy of KCDC to fully comply with all Federal, State and local nondiscrimination laws; Title II of the Americans with Disabilities Act, Section 504 Rehabilitation Act of 1973, and the U. S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity. KCDC will administer its housing programs in accordance with (a) the nondiscrimination and fair housing requirements set forth in 24 CFR part 5, including the prohibition on inquiries regarding sexual orientation or gender identity set forth in 24 CFR 5.100 and 5.105(a) (2); and (b) The affirmative fair housing marketing requirements in 24 CFR part 200, subpart M and 24 CFR part 108.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subject to sexual orientation or gender identity discrimination under KCDC's programs. No person shall be refused the right to apply for housing with KCDC.

Sometimes people with disabilities may need a reasonable accommodation to take full advantage of KCDC's housing programs and related services. In accordance with Title II of the Americans with Disabilities Act (ADA), a reasonable accommodation will be provided for disabled persons unless KCDC can demonstrate it would result in a fundamental alteration in the nature of the program or activity or result in undue financial and administrative burdens. Persons requesting a special accommodation must complete the process as outlined in KCDC's Reasonable Accommodation Policy. When such accommodations are granted, they do not confer special treatment or advantage

for the person with a disability; rather, they make the program accessible to them in a way that would otherwise not be possible due to their disability. Because disabilities are not always apparent, KCDC will inform all applicants/tenants of the opportunity to request a reasonable accommodation. All decisions granting or denying requests for a reasonable accommodation will be in writing.

KCDC will make every reasonable effort to provide accessible units to families with physically disabled members requiring such units.

KCDC will endeavor to have bilingual staff, or access to people who speak languages other than English, in order to assist non-English speaking or limited English proficient (LEP) persons. In determining whether it is feasible to provide translation of documents written in English into other languages, KCDC will consider the number or proportion of applicants eligible to be served or participants in the jurisdiction who do not speak English (or LEP persons) and speak the other language and the estimated cost to KCDC per client. KCDC will refer to census data to determine the number or percentage of the population eligible to be serviced for each LEP language group. KCDC will annually review and update its Language Access Plan (LAP) to ensure the needs of LEP applicants and tenants are addressed according to the needs of the jurisdiction.

5.0 TAKING APPLICATIONS

Families wishing to apply for housing with KCDC will be required to complete a pre-application via KCDC's Applicant Portal at www.kcdc.org.

Pre-applications are taken to compile Site-based Waiting Lists for each property. Due to the demand for housing in KCDC's jurisdiction, KCDC may take pre-applications on an open enrollment basis, depending on the length of the waiting lists.

The pre-application will be considered a complete application when all data and information necessary for KCDC to determine the family's eligibility, and documentation verifying income (earned and unearned) necessary to determine total and net family income. All verification essential to determine the family's total and net income and all other documentation relating to eligibility will be made a part of the applicant's record (see KCDC's Implementation Guide for verification procedures).

The application constitutes the basic record for each family applying for KCDC admission or continued occupancy. Each family must supply information required for a complete application and sign the application. Each application for admission will be documented by KCDC as to: (1) the date and time of receipt; (2) the appropriate unit size; (3) determination of eligibility; (4) where applicable, the date of the assignment to a dwelling unit and identification of the property assigned; (5) where applicable, the date of the offer, the date of the applicant's rejection of the offer, reason for the rejection, and identification of the property.

Persons wishing to request a paper application packet or assistance in completing an application online may call KCDC to make special arrangements. The Tennessee Relay Center (TRC) may be used by individuals who are deaf, hard of hearing or speech impaired by dialing 1-800-848-0298.

The applicant may at any time report changes in their applicant status, including changes in family composition or income.

A family may file an application for more than one of the KCDC housing programs without affecting their status on any of the waiting lists.

6.0 ELIGIBILITY FOR ADMISSION

KCDC properties are designed to provide housing to low-income housing families who meet the eligibility and screening requirements set forth in this Tenant Selection Plan. Eligibility requirements may change at any time when HUD issues new guidance.

There are five eligibility requirements for admission to subsidized housing: 1) Qualifies as a family; 2) has an income within the income limits; 3) meets citizenship/eligible immigration criteria; 4) discloses and provides documentation of Social Security numbers (where applicable); and 5) signs consent authorization documents.

Based on federal regulations, KCDC may admit only eligible applicants. In the selection of applicants for admission, eligibility criteria have been established in accordance with HUD guidelines.

The following eligibility standards will be applied in accordance with HUD requirements:

1. The household's annual income must not exceed program income limits at move-in (refer to Appendix A).
2. Elderly Family: The household must be an elderly family which means a family whose head, spouse or sole member is a person who is at least 62 years of age at the time of initial occupancy.
3. Disabled Family: A family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
4. The Head-of-Household (HOH), co-Head-of-Household and the spouse (regardless of age) and all adults in each household must sign an Authorization for Release of Information (HUD Forms 9887 and 9887A) and the KCDC Release of Information created for verification documents prior to receiving assistance.
5. The unit for which the household is applying must be the household's only residence. KCDC will not knowingly assist applicants who will maintain a residence in addition to the HUD-assisted unit.
6. An applicant must agree to pay the rent required by the program under which the applicant will receive assistance.
7. Only U.S. citizens or eligible non-citizens may receive assistance (See additional information below and in Appendix C).
8. Applicants who claim eligible status must disclose Social Security Numbers for all household members and provide proof of the numbers reported (See additional information below), with the exception of foster children and foster adults.
9. The household size must be appropriate for the available apartment (See Occupancy Standards – Appendix A).
10. All information reported by the household is subject to verification.

6.1 SINGLE RESIDENCE

Applicants MUST disclose if they are currently receiving HUD housing assistance. Tenants can only receive subsidy for one unit/residence at a time. This prohibition does not prevent a person who is currently receiving assistance from applying for an assisted unit in another property.

If, for any reason, an applicant moves into this property before moving out of another subsidized unit, the new tenant will be required to pay market rent until the move out from the previous property is complete and the tenant is eligible to receive HUD subsidy for this property. Assistance in the new unit will begin, if the household is still eligible, the day after assistance ends for the previous unit.

There is an exception to this rule. Children in joint custody arrangements can receive HUD housing in two units when both parent/guardian families receive HUD housing assistance. **However, only one household may use the \$480 (adjusted by HUD annually) dependent deduction to determine adjusted income.** In these cases, additional verification is required.

KCDC will request:

- Verification of the use of the \$480 deduction. KCDC will verify use of the \$480 dependent deduction with the other owner/agent if:
 - The child will live in the unit at least 50% of the time,
 - The parent wishes to claim the \$480 deduction, and
 - Both families are receiving HUD housing assistance.

6.2 ELIGIBILITY CRITERIA

- A. Family status. Family includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, as outlined in 24 CFR 5.403:
1. Family with or without children – Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - a. Children temporarily absent from the home due to placement in foster care are considered family members.
 - b. Unborn children and children in the process of being adopted are considered family members for the purpose of determining bedroom size and income limits.
 2. Elderly family – is a family whose head, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.
 3. Near-elderly family – is a family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; two or more persons, who are at least 50 years of age but below the age of 62, living

- together; or one or more persons, who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
4. Disabled family – is a family whose head, spouse, co-head or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
 5. Displaced family – is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
 6. Remaining member of a tenant family – provided they meet all other eligibility requirements.
 7. Single person – who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family. See information below on admission of a full-time college student.

B. Student Status/Admission of College Students – Management must determine a student's eligibility for Low Income Housing Tax Credit and/or Project-Based Rental Assistance programs at Move-in, Annual Recertification, Initial Certification, and at the time of an Interim Recertification (regardless of change being reported).

LIHTC/IRS guidance states for the LIHTC Program, assistance *shall not be provided* to any individual who:

- Is enrolled as a full or part-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential; and
- Is under the age of 24; and
- Is not a veteran; and
- Is not married; and
- Is not a person with disabilities, and was not receiving assistance as of November 30, 2005; and
- Does not have a dependent child; and
- Is not living with his/her parents who are receiving Section 8 assistance; and
- Is individually ineligible for section 8 assistance or has parents who are, and individually or jointly, ineligible for assistance; and
- Is not eligible as an independent student as defined by the U.S. Department of Education; and
- Has not established a separate household from parents for at least one year prior to application, or has not been claimed as a dependent by parents pursuant to IRS regulations.

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition (as defined by the institution) is included in annual income, except if the student is over the age of 23 with dependent children, or is living with his or her parents who are receiving assistance.

PBRA guidance states student eligibility is determined at Move-in, Initial Certification, at each Annual Recertification, and at the time of an Interim Recertification (regardless of change being reported).

If an applicant or tenant is a student, the following criteria must be met for that student to be considered eligible:

- The individual must be of legal contract age under state law.
- The individual must not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations.
- The individual must have established a household separate from parents or legal guardians for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of an independent student.

Independent Student – To be classified as an independent student, the individual must meet one or more of the following criteria:

- Be at least 24 years old by December 31 of the aware year for which aid is sought;
- Be an orphan or a ward of the court through the age of 18;
- Be a veteran of the U.S. Armed Forces;
- Have legal dependents other than a spouse (dependent children or elderly dependent parent);
- Be a graduate or professional student;
- Be married;
- Be a vulnerable youth as defined by HUD and the Department of Education.

The individual must obtain a certification of the amount of financial assistance that will be provided by parents, guardians, or others signed by the individual providing the support. The financial assistance provided by persons not living in the unit is part of Annual Income and must be verified to determine eligibility and at each subsequent certification.

A student who is otherwise eligible and meets screening requirements is eligible for assistance if the student meets the criteria below. Section 8 assistance shall be provided to any individual who is enrolled as either a part-time or full-time student at an institution of higher education for purposes of obtaining a degree, certificate or other program leading to a recognized education credential; when the student:

- Is living with his/her parents who are receiving Section 8 assistance;
- Is individually eligible to receive Section 8 assistance and has parents who are income eligible to receive Section 8 assistance;
- Is a graduate or professional student;
- Is a veteran of the United States military or is an active member of the United States military;
- Is married;
- Has a dependent other than a spouse (e.g., dependent child);
- Is at least 24 years of age;
- Is a person with disabilities, as such term is defined in section 3(b)(3) of the 1937 Act and was receiving assistance under Section 8 of the 1937 Act as of November 30, 2005;
- Is classified as Vulnerable Youth; a student meets HUD's definition of a vulnerable youth when:

- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42 U.S.C. 11431 et. Seq.), or as unaccompanied, at risk of homelessness, and self-supporting, by:
 - A local education agency homeless liaison, designated pursuant to the McKinney-Vento Homeless Assistance Act;
 - The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
 - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
 - A financial aid administrator; or
- The individual is a student for whom a financial aid administrator makes a determination of independence by reason of other unusual circumstances.

If a student does not meet the eligibility criteria above, but can provide independence from parents under HUD rules, then the student would meet HUD's student eligibility criteria.

Staff will be able to provide additional information about proving independence from parents.

If an ineligible student applies for or is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated.

Student Financial Assistance: Student financial assistance that is not specifically excluded will be included as part of the family's annual income unless the student is the Head-of-Household, Co-Head-of-Household or spouse and is over 23 years of age (24 years of age with a dependent child). Student loans are not considered.

Financial assistance that is provided through a qualified Coverdell Education Savings Account (ESA) or other qualified ESA, is **excluded** when determining Annual Income for the family.

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition and other qualified fees, is **included** as unearned annual income. Student financial assistance that exceeds tuition and other covered fees is **excluded** if the student is the Head of Household, Co-Head, Spouse AND is 24 years of age or older AND has a dependent child (as defined by HUD).

Student financial assistance that is provided by persons not living in the unit is not part of annual income if the student meets the Department of Education's definition of "vulnerable youth".

Covered fees include tuition, books, supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and fees required and charged to a student by an institution of higher education (as defined under section 102 of the Higher Education Act of 1965). For a student who is not the Head-of-Household, Co-Head-of-Household or spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and is not residing in an assisted unit.

Student financial assistance means a grant or scholarship received from the Federal government; a State, Tribe or local government, a private foundation registered as a nonprofit under 26 U.S.C. 501 I(3), another private source such as a business entity (e.g., corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity), or an institution of higher education.

Student financial assistance does not include any assistance that is excluded by regulation (for non-section 8 exclude financial assistance provided through Section 479B of the Higher Education Act (HEA) of 1965 that exceeds tuition and other covered fees or money provided through any Coverdell Education Savings Account (ESA) or like ESA), financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded by regulation, gifts including gifts from family or friends, or loans.

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition (as defined by the institution) is included as unearned annual income. Student financial assistance that exceeds tuition and other covered fees is excluded if the student is: the Head of Household, Co-Head, Spouse AND is 24 years of age or older AND has a dependent child (as defined by HUD).

Student financial assistance means a grant or scholarship received from the Federal government; a State, Tribe or local government, a private foundation registered as a nonprofit under 26 U.S.C. 501 I(3), another private source such as a business entity (e.g., corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity), or an institution of higher education.

Student financial assistance does not include any assistance that is excluded by regulation (for non-section 8 exclude financial assistance provided through Section 479B of the Higher Education Act (HEA) of 1965 that exceeds tuition and other covered fees or money provided through any Coverdell Education Savings Account (ESA) or like ESA), financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded by regulation, gifts including gifts from family or friends, or loans.

C. Income Eligibility: Pursuant to HUD Regulations, admission will be limited to those families whose annual income does not exceed the applicable income limits. Income Limits vary by household size and program type. KCDC will provide a copy of the income limits for the property upon request. In addition, applicants can review the income limits by accessing the following website: <http://www.huduser.org/datasets/il.html>. HUD requires that property managers incorporate the most recently published income limits when determining eligibility. Currently the limit is set at low income level, which is at or below 60% Area Median Income (AMI) for Knox County Fair Market Rent Area.

D. Citizenship Requirements: By law, assistance in subsidized housing is restricted to the following:

1. U.S. citizens or nationals; and/or
2. Non-citizens who have eligible immigration status as determined by HUD.

All family members, regardless of age, upon admission are required to declare their citizenship or immigration status by completing and signing the declaration of citizenship form.

Noncitizens (except those aged 62 and older as of January 31, 2010, and whose initial determination of eligibility started prior to January 31, 2010) must provide a signed declaration of eligible immigration status, a signed verification consent form and submit one of the HUD-approved DHS documents verifying their immigration status or sign a declaration that they do not contend eligible immigration status. Noncitizens aged 62 and older must sign a declaration of eligible immigration status and provide a "proof of age" document as verification.

KCDC will utilize the multifamily Systematic Alien Verification for Entitlements (SAVE) System to verify the validity of documentation provided by non-citizen applicants. Management will follow all HUD regulations in providing applicants with due process if the applicant has been denied based upon the SAVE System results.

Note: Management will not delay a family's assistance if the family submitted its immigration documentation in a timely manner but the DHS verification or appeals process has not been completed. If a unit is available, the family has come to the top of the waiting list, and at least one member of the family has been determined to be eligible, Management will offer the family a unit. This household will be referred to as a mixed family and management will only provide assistance to the family members determined to be eligible and to those family members that submitted their immigration documents on time. If any family members do not provide the required immigration documentation, then the assistance for the family will be pro-rated.

HUD's Definition of a Mixed Family: A mixed family is a family with one or more ineligible family members and one or more eligible family members, and may receive prorated assistance, continued assistance, or a temporary deferral of termination of assistance. Mixed families qualify only for pro-rated assistance in accordance with HUD regulations.

Applicants who hold a non-citizen student visa are ineligible for assistance as are any non-citizen family members living with the student. However, spouses and children who are citizens may receive assistance.

A noncitizen student is defined as an individual who is as follows:

1. A tenant of another country to which the individual intends to return,
2. A bona fide student pursuing a course of study in the United States, and
3. A person admitted to the United States solely for the purpose of pursuing a course of study as indicated on an F-1 or M-1 student visa.

This prohibition applies to noncitizen student's noncitizen spouse and noncitizen children.

- E. Social Security Number Requirements: All household members receiving HUD housing assistance or applying to receive HUD housing assistance are required to provide a Social Security Number and adequate documentation necessary to verify that number. This rule applies to all household members including live-in aides, foster children and foster adults. Adequate documentation includes a Social Security card issued by the Social Security Administration (SSA) or other acceptable evidence of the SSN such as:

Acceptable documentation includes:

- Original Social Security card issued by the Social Security Administration (photocopies of a Social Security card is not acceptable);
- Driver's license with Social Security number;
- Identification card issued by a Federal (military cards or DD-214), State or local government agency, medical insurance provider, or an employer/trade union;
- Earnings statements on payroll stub;
- Bank loan document or statement;
- Pay stub;
- IRS Forms 1099 or W-2;
- Retirement benefit letter;
- Life insurance policy; or
- Court records.

The Social Security Number requirements *do not apply* to:

1. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010.
2. Individuals who do not contend eligible immigration status.
3. A child under 6 years old is added to the applicant household within the 6-month period prior to the household's date of admission. The household will have a maximum of 90 days after the date of admission to provide the Social Security Number and adequate documentation that the Social Security Number is valid. An additional 90 days may be granted under certain circumstances. If the household does not provide the Social Security Number and adequate documentation to verify the Social Security Number within the prescribed timeframe, HUD requires that the KCDC terminate tenancy.
4. Foster children or adults when:

- The foster agency will not provide the SSN or adequate documentation to verify the SSN; and
- With HUD approval.

If, at the time a unit becomes available, all non-exempt household members have not provided adequate documentation necessary to verify Social Security Numbers, the next eligible applicant family must be offered the available unit.

Failure to disclose and provide documentation and verification of SSNs as required will result in an applicant not being admitted.

The applicant who has not disclosed and provided verification of social security numbers for all household members may retain their position on the waiting list for 90 days. After 90 days, if the applicant has been unable to provide acceptable verification of SSNs, the applicant will be determined ineligible.

If a child under 6 years old is added to a family during the 6 months prior to admission, the family has 90 days to supply an accurate SSN. One 90-day extension may be granted to families failing to meet the initial 90-day timeline. When an extension is granted, the family may be asked to provide documentation of their failure to meet the initial timeline.

If a child under 6 years old is added to an existing family, the family has 90 days to supply an accurate Social Security number and birth certificate. One 90-day extension may be granted to families failing to meet the initial 90-day timeline. When an extension is granted, the family may be asked to provide documentation of their failure to meet the initial timeline.

The Social Security number provided will be compared to the information recorded in the Social Security Administration database through HUD's Enterprise Income Verification System (EIV) to ensure that the Social Security Number, birth date and last name match.

If EIV returns an error that cannot be explained or resolved, assistance and/or tenancy may be terminated and any assistance paid in error must be returned to HUD.

If the applicant/tenant deliberately provides an inaccurate Social Security Number, KCDC and/or HUD may pursue additional penalties due to attempted fraud.

F. Consent and Verification forms: Each family head, spouse, or co-head, regardless of age, and all other household members who are at least 18 years of age must sign and date the HUD-required consent forms, HUD 9887, Notice and Consent for the Release of Information, and form HUD 9887-A, Applicant's/Tenant's Consent to Release of Information Verification by Owners of Information Supplied by Individuals Who Apply for Housing Assistance. If any member of the applicant's household refuses to sign and submit the consent forms as required, KCDC must reject the application and deny assistance and/or terminate tenancy.

The HUD 9887/9887A forms must be signed:

- At move-in,
- Initial certification,

- Annual Recertification,
- Within 30 days of a minor turning 18,
- When a new family member 18 years of age or older is admitted to the household, or
- As required by HUD in administrative instructions.

These consent forms contain provisions authorizing HUD and KCDC to obtain necessary information for verification of an application or to maintain a family's assistance, including income information and tax return information. The executed consent forms are effective for 15 months following the signed date. If a family leaves a HUD program (moves out), the family's assistance is considered to be terminated and the signed consent form will no longer be in effect.

When a minor in the unit turns 18, he/she will have 30-days to meet with management staff and sign appropriate forms. Failure to do so will result in termination of assistance for the entire household.

In addition, all adult members of an applicant or tenant family must sign individual consent and verification forms authorizing management to verify family income and other applicable eligibility factors; e.g., disability status, criminal history.

If the applicant or tenant, or any adult member of the household does not sign and submit consent forms as required, Management must deny assistance and admission to the entire family. For current tenants, assistance will be terminated resulting in the family being charged market rent and a termination of tenancy (eviction) notice will be issued.

G. Live-In Aides

HUD's definition of a Live-In Aide is a person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who: (a) Is determined to be essential to the care and wellbeing of the person(s); (b) Is not obligated for the support of the person(s); and (c) Would not be living in the unit except to provide the necessary supportive services.

To qualify for a live-in aide, the applicant/tenant must submit a Reasonable Accommodation request for consideration. Upon receipt, KCDC must verify whether the live-in aide is necessary only to the extent necessary to document that applicants or tenants who have requested a live-in aide have a disability-related need for the requested accommodation. This may include verification from the person's physician, psychiatrist or other medical practitioner or health care provider. KCDC will not require applicants or tenants to provide access to confidential medical records or to submit to a physical examination.

Additionally, Live-In Aides must provide a copy of their Social Security card, birth certificate and photo ID to complete the required screening and verification process.

Live-in Aides have no rights to the unit as a remaining family member and must sign KCDC's Live-in Aide Policy stating they agree to relinquish possession of the unit within

a reasonable amount of time if the tenant is absent for an extended prior of time or if the tenant leaves for any reason including death.

6.3 SUITABILITY CRITERIA

- A. Screening – Applicant families will be evaluated to determine whether, based on their recent behavior, such behavior could reasonably be expected to result in noncompliance with the lease. KCDC will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family’s admission could reasonably be expected to have a detrimental effect on the property’s environment, other tenants, KCDC employees, or other people residing in the immediate vicinity of the property.

Applicants with violent criminal histories will be denied KCDC admission for at least, three (3) years (typically unsupervised) provided they have no arrests and/or convictions during that period. Other listed criminal histories will be considered on a case-by-case basis, focusing on the seriousness and recentness of the criminal activity.

Applicants with drug-related criminal histories will be denied KCDC admission for at least three (3) years (typically unsupervised) provided they have no arrest and/or convictions during that period except that any household member who has been convicted of manufacturing or producing methamphetamine (speed) in any federally assisted housing property will be denied for life.

Any household member who is subject to, or who is currently on, any state lifetime sex offender registration requirement will be denied for life.

Applicants containing one or more adult household members where one member is denied based upon screening results will result in the entire application being denied. All remaining adult members must submit a new application if they are still interested in housing.

No applicant who has been a victim of domestic violence, dating violence, or stalking will be denied admission if they are otherwise qualified. KCDC will give an applicant who claims victim status 14 business days after written request to certify either by:

1. Completing the optional Certification of Domestic Violence, Dating Violence, Sexual Assault, Stalking, and Alternate Documentation HUD Form 5382 (which is available at each KCDC rental office); or
2. Providing KCDC with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional from whom the victim (applicant or another member of the applicant family) has sought assistance in addressing domestic violence, dating violence, stalking, or the effects of the abuse (this certification must be sworn under penalty of perjury); or
3. Producing a Federal, State or local police or court record.

4. At lease signing Management will have all tenants sign and execute the VAWA Lease Addendum (HUD Form 91067).

Otherwise, eligible families will be denied admission if they fail to meet suitability criteria.

B. KCDC may consider objective and reasonable aspects of the family's background, including the following:

1. History of meeting financial obligations, especially rent;
2. Ability to maintain (or with assistance would have the ability to maintain) their housing in a decent and safe condition based on living or housekeeping habits and whether such habits could adversely affect the health, safety or welfare of other tenants;
3. History of criminal activity by any household member involving physical violence against persons or property, drug-related criminal activity (e.g. illegal manufacture, sale, or distribution), the use of or pattern of abuse of alcohol, and any other criminal activity that would adversely affect the health, safety, or wellbeing of other tenants or staff or cause damage to the property;
4. History of disturbing neighbors or destruction of property;
5. Having committed fraud in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived therefrom; and
6. History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others.

C. KCDC may ask applicants to provide information demonstrating their ability to comply with the essential elements of the lease. KCDC may verify the information provided. Such verification *may include* but may not be limited to the following:

1. A credit check of the head, spouse and co-head for market rate applicants;
 - a. Must have a score of 650 or above.
 - b. Must earn 2.5 times the amount of monthly rent (See Appendix A).
2. A rental history (landlord verification) check of all adult family members;
3. A criminal background check on all adult household members, including live-in aides. This check will be made through National, State, local law enforcement or court records;
4. A check of the State's lifetime sex offender registration program for each adult household member, including live-in aides. No individual registered with this program will be admitted.

6.4 GROUNDS FOR DENIAL

A. KCDC is not required or obligated to assist applicants who:

1. Do not meet at least one of the eligibility criteria;
2. Do not supply information or documentation required by the application process within the time frame allotted;

3. Have failed to respond to a written request for information or a request to declare their continued interest in the program;
4. Have a history of not meeting financial obligations, especially rent;
5. Do not have the ability to maintain (with assistance) their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants;
6. Have a history of criminal activity by any household member involving physical violence against persons or property, drug-related criminal activity within the last three years (e.g. illegal manufacture, sale, distribution, use of or pattern of abuse of alcohol) or currently engaged in illegal drug use, and any other criminal activity that would adversely affect the health, safety, or wellbeing of other tenants or staff or cause damage to the property;
7. Have a history of disturbing neighbors or destruction of property;
8. Have committed fraud, bribery or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived therefrom;
9. Were evicted from assisted housing within the past three (3) years because of criminal activity involving physical violence against persons or property, and/or drug-related criminal activity (e.g. illegal manufacture, sale, distribution, and/or use.);
10. Have illegally used a controlled substance or abused alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants. KCDC may waive this requirement if:
 1. The person demonstrates to KCDC's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
 2. Has successfully completed a supervised drug or alcohol rehabilitation program; or
 3. Has otherwise been rehabilitated successfully.
11. Have engaged in or threatened abusive or violent behavior towards any KCDC staff or tenant;
12. Have a household member who has ever been evicted from subsidized housing;
13. Have a family household member who has been terminated under the certificate or voucher program;
14. **Denied for Life:** Has a lifetime registration under a State sex offender registration program or conviction of manufacturing or producing methamphetamine (speed) in any federally assisted housing property.

B. Ineligibility Notification/Informal Review/Formal Hearing

- A. If KCDC determines that an applicant does not meet the criteria for receiving housing assistance, KCDC will promptly provide the applicant with written notice of the determination. The notice will contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal review of the decision within 10 business days of the denial notice. KCDC will describe how to obtain the informal review within the denial notice.

The informal review may be conducted by any person designated by KCDC, other than a person who made or approved the decision under review or a subordinate of this person. The applicant must be given the opportunity to present written or oral

objections to KCDC's decision. KCDC must notify the applicant of the final decision within a reasonable time after the informal review, including a brief statement of the reasons for the final decision.

- B. The participant may request that KCDC provide an Informal Hearing after the family has received notification of a citizenship decision on their citizenship status on appeal or in lieu of request of appeal to the Department of Homeland Security. This request must be made by the participant family within 30 days of the Notice of Denial, Termination of Assistance, or within 30 days of the notification of the Department of Homeland Security appeal decision.

In such cases, the Informal Hearing Process above will be utilized with the exception that the family will have up to 30 days of the Notice of Denial or Termination of Assistance, or the Department of Homeland Security appeal decision.

- C. In accordance with Title II of the Americans with Disabilities Act, reasonable accommodations will be provided for disabled persons unless KCDC can demonstrate it would result in a fundamental alteration in the nature of the program or would result in undue financial and administrative burdens. Persons requesting a special accommodation must complete the process outlined in KCDC's Reasonable Accommodation Policy. Because disabilities are not always apparent, KCDC will inform all applicants/tenants of the opportunity to request reasonable accommodation. All decisions granting or denying requests for a reasonable accommodation will be in writing.

7.0 MANAGING THE WAITING LIST

- A. Opening and closing the waiting list – Opening of the waiting list will be announced with a public notice stating that applications are being accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, as well as on KCDC's main webpage. The public notice will state any limitations to who may apply.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and such applicants will not lose their place on other waiting lists when they apply for housing. The notice will include the Fair Housing logo and slogan and will be in compliance with Fair Housing requirements.

Closing of the waiting list will also be announced with a public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, as well as on KCDC's main webpage.

During the period when the waiting list is closed, KCDC will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

- B. Organization of the waiting list – A Site-based Waiting List is maintained for each property. An applicant may apply to all properties for which they are eligible. Applicants are given information related to each site (location, amenities, availability of accessible units, etc.) to help them decide the property(ies) for which they would like to apply.

The waiting list will be maintained electronically in accordance with the following guidelines:

1. The application will be considered a permanent file;
 2. All applications will be maintained in order of bedroom size, and then in order of date and time of application; and
 3. Any contact between KCDC and the applicant will be documented in the applicant's file and within the software system.
- C. Purging the waiting list – KCDC will update and purge its waiting list as needed to ensure that the pool of applicants reasonably represents the interested families for whom KCDC has current information, i.e. applicant's address, family composition, and income category.
- D. Removal of applicants from the waiting list – KCDC will not remove an applicant's name from the waiting list unless:
1. Applicant requests verbally or in writing that their name be removed;
 2. Applicant fails to respond to a written request for information or a request to declare their continued interest in the program;
 3. Applicant does not meet eligibility standards;
 4. Applicant does not meet occupancy standards;
 5. Applicant is rejected for any reason described in this plan;
 6. Applicant receives and accepts an offer of housing;
 7. Applicant refuses offer for housing without good cause;
 8. The unit that is needed – using household size as the basis – has changed, and no appropriate size/type unit exists in the property; or
 9. The unit that is needed – using household size as the basis – has changed, and the waiting list is closed for that unit size/type.

If an applicant is removed from the waiting list, and subsequently KCDC determines an error was made in removing the applicant, the applicant will be reinstated at the original place on the waiting list.

If an applicant is removed from the waiting list and later, the applicant feels they are now qualified for assistance/tenancy, the applicant household must submit a new application. The applicant will be placed on the waiting list based on the submission date and time of the **new** application.

- E. Missed appointments – All applicants who fail to keep a scheduled appointment will result in the application being withdrawn.

KCDC will allow the family to reschedule for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than

two opportunities will be given for good cause. When good cause exists for missing an appointment, KCDC will work closely with the family to find a more suitable time.

8.0 TENANT SELECTION AND ASSIGNMENT

- A. Preferences – KCDC will select families from the Site-Based Waiting List based on the following preferences within each bedroom size category.
1. Former/Current KCDC Tenants as Assigned by KCDC – This preference only applies to households displaced by KCDC action (i.e. Maintenance issue that requires family to relocate in order to address; relocation due to demolition or modernization of units; ADA or under/over-housing issues). Part of the Rental Assistance Demonstration (RAD) allows KCDC to relocate tenants who were in place, at the time of conversion to the PBRA RAD program, to complete rehabilitation of the units/property. If a tenant is relocated and the tenant wishes to return to the property, KCDC will offer units to those Returning Tenants before offering a unit to an applicant on the waiting list.
 2. Government Action/Involuntarily Displaced as Assigned by KCDC – This preference would include an individual or family displaced by government action; An individual or family that includes a member who is unable to use critical elements of their current rental unit due to a mobility impairment and where the owner is neither legally obligated nor willing to make adaptive modifications; An individual or family that is facing an eviction action due to reasons beyond their control or cause; An individual or family that has been forced to vacate their home due to a fire that was beyond their control or cause; or, an individual or family whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by a unit of local, state, or federal government.

Special consideration for existing tenants applies when a VAWA Emergency Transfer request is submitted by a victim of a VAWA crime. If this is your situation, please contact management staff for additional information.

- B. Selection From the Waiting List – Families will be offered housing based on the date and time of their application within each bedroom size and the utilization of one of the above preferences, if applicable.

C. Accessible Units

When an applicant requests an accessible unit or a unit preference, such as a first-floor unit, KCDC will conduct inquiries to:

1. Verify that the applicant is qualified for the unit, which is only available to persons with a disability or to persons with a particular type of disability
2. Verify that the applicant needs the features of the unit as an accommodation to his/her disability
3. Verify that the applicant is qualified to receive a priority on the waiting list available to persons with a disability or to persons with a particular type of disability

Accessible units will be offered first to families who may benefit from the accessible features and will be offered to a current tenant who has been approved for a transfer to an accessible unit before an eligible applicant family. Applicants for these units will be selected utilizing the same system as outlined above. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the Site-based Waiting List(s). Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature applies. Any family required to transfer will be given a 30-day notice.

KCDC will not skip over a household that has reached the top of the waiting list and has indicated a need for certain unit features because of a disability.

D. Assignment of bedroom sizes – Occupancy standards serve to prevent the over-utilization of under-utilization of units that can result in an inefficient use of housing funding. Occupancy standards also ensure that tenants are treated fairly and consistently and receive adequate housing space.

The following guidelines will determine each family’s unit size without overcrowding or over-housing:

Occupancy Standards (Applies to all properties within KCDC’s portfolio)		
Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	2
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

Note: Exact bedroom sizes, by property, are provided in Appendix A

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons.

In determining bedroom size, KCDC will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained (parenting plan), children who are temporarily away at school, or children who are temporarily in foster-care.

In addition, the following considerations may be taken in determining bedroom size:

- No more than two (2) persons will occupy the same bedroom.
- If a family, based on the number of members, would qualify for more than one-unit size; KCDC will allow the family to choose which unit size they prefer as long the household composition meets occupancy standards.

- KCDC will always make every effort to provide a bedroom for children separate from their parent(s).
- Foster adults and/or foster children will not be required to share a bedroom with family members.
- Live-in aides will get a separate bedroom. Children of live-in aides will not receive a separate bedroom.
- Exceptions to normal bedroom size standards include the following:
 - Units smaller than assigned through the above guidelines – A family may request a smaller unit size than the guidelines allow. KCDC will allow the smaller size unit so long as generally no more than two (2) people per bedroom are assigned. In such situations, the family will sign a certification stating they understand they will be ineligible for a larger size unit until the next scheduled reexamination.
 - Units larger than assigned through the above guidelines – A family may request a larger unit size than the guidelines allow. KCDC will allow the larger size unit if the family provides a verified medical need that the family be housed in a larger unit (see KCDC’s Implementation Guide for requesting Reasonable Accommodation – Appendix B).
 - Households whose composition changes after the initial lease signing or between recertification periods will be required at the next re-exam to sign an over-housed statement, and the household will be reassigned to an appropriate bedroom size when feasible. Such reassignment will take priority when waiting list contains appropriate candidates for the bedroom size in question.

E. Deconcentration Policy – KCDC will affirmatively market its housing to all eligible income groups in accordance with its Affirmative Fair Housing Marketing Plan (AFHMP). Lower income tenants will not be steered toward lower income properties and higher income people will not be steered toward higher income properties. Toward this end, KCDC will:

1. Provide information and referral services that link tenants to supportive services, such as childcare, job training and placement programs, and case management; and
2. Establish contract rents in accordance with HUD Multi-family guidelines.

Prior to the beginning of each fiscal year, KCDC will analyze the income levels and demographic characteristics of families residing in each of its properties and the families on the waiting list. Based on this analysis, KCDC will determine marketing strategies for deconcentration.

F. Offer of a unit – When KCDC discovers that a unit will become available; management will contact the first family on the waiting list who has the highest priority for this type and size of unit and whose income category would help to meet the deconcentration goal and/or the income targeting goal.

KCDC will contact the family by the following methods provided by the applicant:

1. Phone Call

2. Email Message
3. Text Message
4. KCDC Web Applicant Portal

If unable to contact the family by the methods above, an Update Letter will be sent in the form of a mailed, first-class letter. The family will be given no more than ten (10) business days from the date of notification to contact KCDC and update their application. Failure to respond to the Update Letter will result in the application being withdrawn. The date of the Update Letter and the family's decision must be documented in the software system.

- G. Rejection of unit – If, in making the offer to the family, KCDC skipped over other families on the waiting list to meet the deconcentration goal or any other deconcentration incentive, and the family rejects the unit, the family will not lose their place on the waiting list and will not be otherwise penalized.

If KCDC did not skip over other families on the site-based waiting list to reach this family, did not offer any other deconcentration incentive, and the family rejects an offer of a suitable unit without good cause, the application for the specific property will be withdrawn.

If the family rejects (with good cause) any unit offered, they will not lose their place on the waiting list. Good cause includes reasons related to health, proximity to work, school, and childcare (for those working or going to school).

9.0 UNIT TRANSFERS

KCDC defines “transfers” as relocating within the property where the family resides. Transfers apply to existing tenants in inappropriate size units as defined in this policy. Such tenants shall be transferred to appropriate size units when available. Unit transfers may require a family's income be recertified to assure program compliance.

- A. KCDC will accept requests for transfer based on the following:

1. There is a need for a unit transfer due to a change in household size and/or composition.
2. There is a need for a unit transfer based on the verified need for an accessible unit or a verified medical need as outlined in the Reasonable Accommodation Policy.
3. There is a need for a unit transfer of a household that does not require the accessibility features of a unit in which they are living.
4. The tenant has requested and qualifies for a VAWA Emergency Transfer.
5. If a unit is unsafe or uninhabitable, existing tenants will be relocated to an acceptable housing alternative determined on a case-by-case basis. This could be a comparable unit on existing property, other KCDC housing property or hotel accommodations.

If a family is approved for a transfer based upon a condition noted above, management will manually add the family to the appropriate waiting list with one of the two preferences noted above, if applicable.

B. Cost of the family's move – The cost of the transfer will be borne by the family in the following circumstances:

1. When the transfer is made at the request of the family or by others on behalf of the family (i.e., by the police, Power of Attorney, etc.).
2. When the transfer is needed to move the family to an appropriately sized unit, either larger or smaller.
3. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (the family without disabilities were required to sign a statement to this effect prior to accepting the accessible unit).
4. When the transfer is necessitated due to a qualified VAWA emergency relocation.

C. The cost of the transfer will be borne by KCDC in the following circumstances:

1. When the transfer is needed to carry out rehabilitation or demolition activities;
or
2. When the transfer is needed to accommodate a family with a member who has a disability; or
3. When action or inaction by KCDC has caused the unit to be unsafe or inhabitable.

The responsibility for moving costs in other circumstances will be determined on a case-by-case basis.

D. Tenants in good standing – When the transfer is at the request of the family, it will not be approved unless the family is in good standing with KCDC. This means the family must be in compliance with their lease (current in all payments to KCDC and must pass a housekeeping pre-move inspection).

E. Right of KCDC in Transfer Policy – If the transfer is denied, the denial letter will advise the family of their right to utilize the grievance procedure, rights under the Reasonable Accommodation Policy and rights under the Violence Against Women Act (VAWA).

F. Property Relocation Requests –

1. A tenant may request a relocation to any KCDC property *after* their first year of residency by completing an application utilizing KCDC's Applicant Rent Café Portal at www.kcdc.org.
2. Requests for relocation due to reasonable accommodation(s) or in cases involving domestic violence can be submitted prior to the completion of the first year of residency.
3. The relocation application will be screened utilizing the screening process as outlined in this Plan. Families approved through the Reasonable Accommodation and VAWA protections will not be screened prior to approval.

4. If the relocation application has been approved and a lease signing date has been scheduled, all apartment keys must be surrendered to the management office at least *one day prior* to the lease signing date.
5. If the relocation application is denied, the denial letter will advise the family of their right to utilize the grievance procedure as well as Reasonable Accommodation and VAWA protections.

10.0 VERIFICATION

KCDC will verify information related to waiting list eligibility, admission, and level of benefits prior to admission set forth by the Department of Housing and Urban Development. After preliminary eligibility determination, no decision to approve an application shall be made until information provided on the application form and during subsequent interviews has been collected and any necessary follow-up interviews have been performed.

HUD requires KCDC to use verification methods in the following order:

- A. Upfront-Income Verification (UIV)
 1. Using HUD's Employment Income Verification (EIV) system for existing tenants as it is not available for applicants. EIV information may be used as the sole verification of Social Security Income.
 2. Families participating in the LIHTC program(s), HUD's Employment Income Verification (EIV) system cannot be utilized. Instead, third-party written verification from the source (Social Security Administration) will be required.
- B. Upfront Income Verification (UIV) Non-EIV Resources
 1. The Work Number
 2. State benefit systems (DHS verification of Temporary Assistance of Needy Families (TANF), Child Support, etc.);
- C. Third-Party Written Verification from the Source or (Tenant-provided verification)
 1. An original or authentic document generated by a third-party source dated within 120 days of receipt by KCDC. KCDC may also accept third-party verification directly from the verification source. For example, KCDC may obtain verification of disability directly from a medical provider (physician, physical therapist, etc.) or may accept a letter provided by the provider to the tenant;
 2. Pay stubs (4-6 consecutive, regardless of pay period)
 3. Social Security Administration Benefit Letter
 4. Child Support (Court order)
 5. Unemployment Notice
- D. Written Third-Party Written Verification Form (as appropriate)
 1. KCDC may submit an Employment Verification form directly to an employer to obtain verification of income.
- E. Oral Verification
 1. If the previous verification methods have been unsuccessful, and these attempts have been documented, KCDC has the option of accepting oral verification over the telephone or internet. When verifying information by phone, or internet, KCDC must record and document the applicant's/tenant's file with the following information:
 - a. Third-party's name, position and contact information;

- b. Information reported by the third-party individual;
- c. Name of the person who conducted the telephone/internet interview; and
- d. Date and time of the call.

F. Family Self-Certification

- a. When verification methods 1-5 above have been unsuccessful a self-certification from the household member will be accepted. The applicant/tenant file will be documented to show management attempted other acceptable verification has been attempted before solely relying on self-certification.

Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations; full time student status of family members 18 years of age and older; Social Security numbers (if applicable); and citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance. KCDC will use a third-party source to verify tenant employment and income information for Annual Recertifications and Interim Recertifications as well as for new move-ins approximately 90 days after move-in date. Third-party verification will be obtained for assets more than \$5,000. (See KCDC's Implementation Guide for verification procedures and for definitions of income, deductions and exclusions.)

Where the family has net family assets equal to or less than \$5,000, KCDC will accept self certification as verification. When the family has net family assets in excess of \$5,000, KCDC will obtain third-party supporting documentation (e.g. bank statements) from the family to confirm the assets.

Only verified information that is less than 120-days old may be used for verification. Verified information not subject to change (such as a person's date of birth) will not be re-verified.

11.0 INCOME LIMITS AND TARGETING REQUIREMENTS

Management shall comply with the following income limit requirements for new applicants:

- A. Income targeting requirements – In order to achieve compliance with HUD's income targeting requirements, Management, within the established policies above, will ensure that at least 40% of its applicants in a given fiscal year have incomes at or below the 30% of median income level, aka Extremely Low Income (ELI).

Management will annually examine the volume of unit turnover and applicant admissions for the past year and based on this information, estimate the likely number of admissions for the coming year. If it is determined that the 40% requirement will most likely be achieved, no action will be taken. If it appears that the 40% requirement will not be accomplished by the normal selection process,

Management will implement the following procedures by adopting Method 1 as stated in the HUD Handbook 4350.3, Rev-1, CHG-4. In chronological order, Management will select eligible applicants from the waiting list whose incomes are at or below the extremely low-income limit to fill the first 40% of expected vacancies in

the property. This may result in skipping the next applicant on the waiting list if their income level is over the ELI limit. Once the target number of move-ins has been reached, Management will admit applicants in waiting list order.

If it is determined from examining the current waiting list that the income targeting level may not be achieved, management will diligently make efforts to locate an applicant(s) at the extremely low income level. If a vacancy occurs and the next applicant will go over the target number of move-ins, and an extremely low income applicant cannot be located within 30 days, Management will fill the vacancy with the applicant on top of the waiting list and make the appropriate notations on the waiting list report.

11.1 TOTAL TENANT PAYMENT AND MINIMUM RENT HARDSHIP

- A. Total Tenant Payment – The total tenant payment (TTP) represents the minimum amount a family must contribute toward rent and utilities regardless of the unit selected. The TTP is calculated in compliance with HUD rules. To calculate TTP, annual adjusted income and annual (gross) income must be converted to monthly adjusted income and monthly gross income by dividing the annual figures by 12 months.

The total tenant payment is the **greater** of:

1. 30% of monthly adjusted income;
2. 10% of monthly gross income; or
3. The minimum rent of **\$25**

Total Tenant Payment Calculation Example:

30% of monthly adjusted income:	$\$700 \times .30 = \210
10% of monthly gross income:	$\$740 \times .10 = \74
Minimum rent:	$\$25$

Total tenant payment (highest of above) = \$210

- B. Minimum Rent Hardship Policy – The Minimum Rent Hardship Policy is designed to protect families in crisis by allowing KCDC flexibility to address unique, unforeseeable circumstances that may occur. Those with a hardship may have their rent suspended until their case can be reviewed by management.
1. A hardship exists in the following circumstances:
 - a. When the family has lost eligibility for (or is awaiting an eligibility determination for) a federal, state, or local assistance program;
 - b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
 - c. When the income of the family has decreased because of changed circumstances, including loss of employment;
 - d. When the family has an increase in expenses because of changed circumstances, for medical costs, child care, transportation, education, or similar items;

- e. When a death has occurred in the family.
2. If KCDC determines there is no qualifying hardship as listed above, the minimum rent will be reinstated, including requiring back payment of minimum rent to KCDC for the time of suspension.
3. If KCDC determines there is a qualifying hardship, but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. KCDC will offer a reasonable repayment agreement for any minimum rent back payment paid by KCDC on the family's behalf during the period of suspension.
4. If KCDC determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists. Such hardship cases will be reviewed no less than on an annual basis at time of re-exam. Families qualifying for exemption due to long-term hardship will be required to complete a quarterly interview with management or KCDC staff to document the ongoing hardship.
5. Appeals. The family may use the informal hearing procedure to appeal KCDC's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedure.

C. Market rent will be evaluated and determined on an annual basis.

12.0 SECURITY DEPOSITS

Prior to move-in all tenants will be charged a one-time security deposit equal to the Total Tenant Payment or \$50.00, whichever is greater, and must be paid at the time of lease signing. Low-Income Housing Tax Credit and market rate tenants will be charged the amount equal to one month's rent. Security deposits must be paid, in full, at the time of lease signing.

In the event an applicant is unable to pay the full security deposit at lease signing, staff will allow the household to remain on the waiting list without losing their position on the waiting list and offer the unit to the next qualified applicant. After the second housing offer and inability to pay the full security deposit the application will be withdrawn.

In accordance with State law, the deposit will be refunded within 30 days after the tenant has moved out, assuming there is no damage greater than normal wear and tear to the vacated unit. Charges for damages and unpaid rent may be deducted from the security deposit. Staff will provide the tenant with a detailed listing of items deducted from the security deposit within 30 days of vacating the unit.

If the move-in certification is corrected, and the TTP is recalculated, the security deposit requirement will be recalculated as well. Otherwise, the amount of the security deposit established at move-in does not change when a tenant's rent changes.

Tenants who at their request have been approved, as part of the relocation process, must pay a security deposit in the amount equal to the Total Tenant Payment or \$50.00, whichever is greater at the time of lease signing. Tenants who are relocating due to circumstances beyond their control will have their security deposit reallocated through the Accounting Department from their current property to their new property.

13.0 LEASING PROCESS

- A. Offer of available units – When a unit becomes available for occupancy, it will be offered to the applicant at the top of the waiting list for that apartment type (taking into consideration income targeting requirements). If the applicant fails to respond within five business days, the application will be withdrawn, and the apartment will be offered to the next applicant on the waiting list.

Upon offer of an apartment, the applicant shall have an opportunity to inspect the unit along with management and will be required to sign the Unit Inspection Report.

Failure to complete all move-in requirements within the assigned period will result in the application will be withdrawn.

- B. Prior to move-in/applicant interview – *At least one day prior to taking occupancy*, Management will meet with the applicant family and explain at a minimum the following topics:

1. Security deposits and refunds
2. Use of the EIV system after move-in
3. Annual recertification process
4. Interim process
5. Unit inspection
6. Community House Rules
7. Transfer Policy
8. Student eligibility
9. Violence Against Women Act (VAWA)
10. Reporting requirement for income increases
11. Reporting changes in household composition
12. Unit rent and other charges
13. HUD Model Lease
14. Pet Policy

All members within the applicant family 18 years and older will be required to sign the Applicant Interview outline. The tenant will receive a signed copy and management will maintain one signed copy in the tenant file to document the applicant interview.

- C. Leasing of dwelling unit – The Head of Household and all adult household members are required to execute the HUD Model Lease, VAWA Addendum and any additional required tax credit riders, as applicable. The property's House Rules will be attached to the lease as an addendum. A signed copy of the lease will be provided to the lessee and the original will be filed as part of the permanent records established for the family.

14.0 UNIT INSPECTIONS

All apartments must undergo periodic inspections conducted by the on-site management team, HUD

or HUD's representatives/agents, investors, etc. These inspections include interior and exterior areas. Tenants have the right to be present, and are, in fact encouraged, to be present during unit inspections.

- Move-In Inspection: KCDC and I will inspect my apartment before signing the Lease. The Inspection Report, signed by KCDC and myself, will state the condition of my apartment and will note any equipment or appliances in the unit provided by KCDC. KCDC will correct any deficiencies noted on the Inspection Report as needed and if financially reasonable. Tenant has five (5) days from signing the move-in inspection to report any new deficiencies not discovered during the initial inspection. A copy of the Inspection Report will be kept in the tenant file and a copy will be provided to the family.
- Annual Reexamination Inspection: With proper notice (at least 48 hours), KCDC will inspect my apartment as part of the scheduled Annual Reexamination of my eligibility. KCDC will correct any deficiencies noted as needed during the annual inspection and conduct repairs as required by HUD regulations. Tenant will be charged for damages/repairs beyond normal wear and tear as noted in my annual Inspection Report.
- Move-Out Inspection: KCDC will inspect my apartment at the time I move out and will send me a written statement of any damages beyond normal wear and tear. I may be present at the inspection. Any damages assessed will be charged to my move-out account statement.
- Other Inspections: As required by KCDC, HUD or third-party property investor with reasonable notice (at least 48 hours).

KCDC is allowed to enter an apartment at any time without advance notification when there is reasonable cause to believe an emergency exists.

15.0 ANNUAL RECERTIFICATION REQUIREMENTS

- A. To ensure assisted tenants pay rent equal to their ability to pay, HUD requires the following:
1. Management must conduct a recertification of family income and composition at least annually by the annual recertification anniversary date.
 2. Tenants must supply the information requested by executing the Recertification Application and must provide all requested supporting verification documentation.
 3. Tenants must sign consent forms and asset declaration forms each year.
 4. Management must use the EIV Income Report as third-party verification of income from sources available i.e., Social Security benefits, wages, or Unemployment benefits.
 - a. While the EIV Income Report is required to be generated, staff must continue to obtain verification of earned income independent of EIV, with the exception of Social Security benefits.
 5. Management must obtain third-party verification of income sources not reporting data in EIV; i.e., Social Security benefits (if there is a difference in the gross/net income that does not equal Medicare deductions or the tenant disagrees with the information presented in EIV), Child Support, alimony, pensions, VA benefits, income from assets, gifts, valuation of assets and all other sources of income and valuation of assets exceeding \$5,000, gifts, and all other sources of income dated no later than 120 days prior to the annual recertification anniversary date.

6. Tenants must provide documentation of other eligible factors used in determining allowances in the family's TTP, e.g., medical expenses, and disability expenses, and childcare payments.

B. Recertification Notices

Management must send Recertification Reminder notifications to tenants to meet with management beginning no later than 120 days prior to the annual recertification anniversary date. If the tenant does not respond, a Second Reminder Notice will be sent at 90 days prior to the annual recertification anniversary date. If the tenant fails to respond, a Third Reminder Notice will be sent to the tenant at 60 days prior to the annual recertification that includes a notice to terminate assistance if the tenant fails to respond. ***If the tenant fails to respond by the 10th day of the 11th month prior to the recertification anniversary date, the tenant may be charged market rent and a termination of tenancy notice (eviction) will be issued until such time as he or she complies with the recertification requirements.***

C. Notice of rent increase

If the tenant complies with the annual recertification process, Management must provide at least a 30-day written notice of any rent increase. ***If the tenant does not report in a timely manner, the requirement to provide a 30-day notification of rent increase is waived.***

D. Initial Notice of Recertification

At annual recertification, an Initial Notice of Recertification will be provided to the tenant indicating the reporting requirements and deadlines for the next annual recertification. This Notice must be signed by the tenant. A signed copy will be provided to the tenant and one copy will be maintained in the tenant's permanent file.

E. Tenant Non-Compliance

Tenants who do not comply with the recertification requirements in a timely manner or fail to provide requested documentation may be charged market rent until such time as the recertification process is complete, unless there are verified medical reasons or other extenuating circumstances that apply.

16.0 INTERIM CERTIFICATION REPORTING POLICY

A. RAD/Project-Based Rental Assistance tenants must notify Management within ten (10) business days of the occurrence of the following:

1. A family member moves out of the unit;
2. The family proposes to move a new member into the unit. All new family members must be approved through the screening process before they can move into the unit. Failure to notify management before an individual is

added to the household is a material lease violation and will result in termination of tenancy;

3. An adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment;
4. Addition of new minors must be reported as quickly as possible in order for the family to begin receiving the appropriate dependent deduction;
5. The family's earned income increases by \$200 or more per month (or \$2,400 annually);
6. A household member has been assigned a new Social Security number; or
7. Any household member enrolling as a student (full-time or part-time).

B. Tenants may request an interim recertification due to any changes occurring since the last recertification that may affect the TTP, tenant rent and assistance payment for the tenant. Changes a tenant may report include:

1. If decreases in earned income are equal to or greater than \$200 more per month, or \$2,400 annually, KCDC must complete an Interim Recertification;
2. Increases in allowances such as medical expenses or child care;
3. Other changes affecting the TTP, such as a family member who attains the age of 62, or a family member becoming disabled; or
4. When a family member attains the age of 62 or becomes disabled.

KCDC will decline to create an Interim Recertification if the family's annual adjusted income has not decreased by an amount less than \$200 or more per month, or \$2,400 annually, of the family's current annual adjusted income.

C. When reporting changes in income and/or family composition, the tenant must provide all requested documentation to substantiate the change.

1. When a family member is being removed from the household, and this action results in a decrease in the family's annual adjusted income, KCDC must create an Interim Recertification to remove the family member as well as all income, assets, and deductions associated with the family member being removed.
2. When a family member is being removed from the household, and this action results in an increase in the family's annual adjusted income, KCDC will create an Interim Recertification only if the changes result in an increase of \$200 or more per month, or \$2,400 annually.

D. When proposing to add a new household member, Management will apply screening criteria to all adults (including live-in aides) for drug related criminal activity, other criminal activity, State sex offender registration, other eligibility criteria, and EIV Existing Tenant Search before approving the move-in.

E. The proposed household member must disclose and provide verification of their Social Security number (including live-in aides). New household members (except live-in aides) must provide information regarding all sources of income, execute the Racial & Ethnic Data Form, Declaration of Citizenship and provide proof of age. The

head of household may execute these documents for minor children. Adults must sign the HUD 9887/9887A Consent Form.

- F. If the tenant complies with the interim reporting requirements, rent changes must be implemented as follows:
 - 1. Rent increases – If the tenant’s rent increases because of an interim adjustment, Management must give the tenant 30 days advance notice of the increase. The effective date of the increase will be the first of the month commencing after the end of the 30-day notice period.
 - 2. Rent decreases – If the tenant’s rent decreases, the change in rent is effective on the first day of the month after the date of action that caused the interim certification.

- G. If the tenant does not comply with the interim reporting requirements, and Management discovers the tenant failed to report a change as required, the effective date of the change is as follows:
 - 1. Rent increases – Management will implement any resulting rent increase retroactive to the first of the month following the date that the action occurred.
 - 2. Rent decreases – Any resulting rent decrease must be implemented effective the first rent period following completion of the recertification.

- H. Interim Recertifications (rent adjustments) do not apply to tenants participating in the Low-Income Housing Tax Credit program or market rate tenants.

17.0 TENANT PROCEDURAL RIGHTS UNDER PROJECT-BASED RENTAL ASSISTANCE DEMONSTRATION (PBRA-RAD) / LOW-INCOME TAX CREDIT

- A. Termination of Tenancy – The termination procedures for properties within KCDC’s portfolio require KCDC to provide adequate written notice of termination of the lease which shall not be less than:
 - 1. A reasonable period of time, not to exceed 30 days.
 - 2. The notice period will be 3 days if health or safety of other tenants, owner employees, or persons residing in the immediate vicinity of the premises is threatened, or if behavior creates a hazardous or unsanitary condition.
 - 3. The notice period will be 10 days in the event of any drug-related or violent criminal activity or any felony conviction; or
 - 4. A 30-Day Termination of Tenancy notice will be issued no later than 14 days after the first of each month in the case of nonpayment of rent.

- B. Termination of Assistance HUD/RAD-PBRA – In all other cases, the requirements at 24 CFR 880.603, the Multifamily HUD Model Lease, and other HUD multifamily administrative guidance shall apply.

- C. Grievance Process – In addition to program rules that require tenants be given notice of covered actions under 24 CFR Part 245 (including increases in rent,

conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances, etc.), the following procedural rights will apply with the requirements of section 6 of the Act. PBRA/RAD properties require that:

1. Tenants be provided with notice of the specific grounds of the proposed owner adverse action, as well as, their right to an informal hearing with the owner;
2. Tenants will have an opportunity for an informal hearing with an impartial member of the owner's staff within a reasonable period of time;
3. Tenants will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice to the owner, prior to the hearing and at the tenants' own cost, the tenant may copy any documents or records related to the proposed adverse action; and
4. The owner must provide the tenant with a written decision within a reasonable amount of time stating the grounds for the adverse action, and the evidence the owner relied upon as the basis for the adverse action.
5. The owner will be bound by decisions from these hearings, except if the (1) hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing, or (2) the decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

18.0 CHOICE MOBILITY RIGHTS UNDER RAD/PBRA

- A. Tenants have the right to move with tenant-based assistance after the later of 24 months from date of execution of the HAP contract or 24 months after the move-in date.
- B. HUD allows PHAs to limit the number of Choice-Mobility moves under the RAD/PBRA program in two ways:
 1. A PHA is not required to provide more than one-third of its turnover vouchers to tenants of RAD properties requesting them in any one year; and
 2. A PHA can limit Choice-Mobility moves to no more than 15 percent of assisted units in each RAD property.
- C. The Owner reserves the right to utilize either method allowed in Section 16B when administering Choice Mobility Rights.

19.0 PETS

KCDC does not require a pet fee. RAD/PBRA tenants are allowed to keep a pet in their apartment. Certain restrictions apply and are outlined in KCDC's Pet Policy. Pets and assistance animals must be approved **before** they are allowed to live in the unit. A copy of the Pet Policy is available upon request.

Service and assistance animals (including emotional support animals) that assist individuals with disabilities are required to follow the Pet Policy relating to vaccinations, behavior and emergency contact information. Tenants, their guests and/or service providers, are required to also comply with the Pet Policy that has been designed specifically for each property within KCDC's housing portfolio.

20.0 CHANGES IN HOUSEHOLD COMPOSITION – ADDING HOUSEHOLD MEMBERS

KCDC must approve any new household member **before** he/she moves into the unit. Eligibility criteria, screening criteria and compliance with occupancy standards will be reviewed before the new household member is approved or denied.

The request to add a new household member will not be considered if the tenant has provided a notice to vacate or is currently under eviction. This helps prevent applicants from “jumping” ahead on the waiting list. Any new household member will be considered an applicant and must participate in the eligibility determination and screening processes described in the tenant selection plan in place at the time of the eligibility determination.

The rent and assistance payment will be re-calculated to reflect any income or allowances for the new household member. If the rent increases, the increase will take effect in the first of the month following delivery of a 30-day notice of change to rent. If the rent decreases, the decrease will take effect the first of the month following the addition of the new household member.

Information about new household members who are minors must be provided to KCDC as quickly as possible but not to exceed thirty (30) calendar days. This includes, as applicable, required eligibility information including Social Security numbers, proof of citizenship or non-citizen eligibility and other pertinent information.

If the new household member is under the age of six, special considerations regarding Social Security number disclosure and verification of Social Security numbers are given. The household will be given ninety (90) calendar days to provide the Social Security number and adequate documentation to verify the Social Security number provided. In some cases, an additional ninety (90) days may be provided. If the household fails to provide the required Social Security number information within the allotted timeframe, the household's tenancy will be terminated (eviction) in accordance with HUD requirements.

Each dependent child that lives in the unit may be eligible for a \$480 deduction that decreases the monthly rent payment by roughly \$12.00 per month. The rent payment will be recalculated to reflect any income or allowances for the new household member.

If the rent increases, the increase will take effect on the first of the month following delivery of a 30-day notice of change to rent. If the rent decreases, the decrease will take effect the first of the month following the addition of the new household member.

Failure to notify KCDC about changes in household composition as described above may result in retroactive rent changes and/or termination of subsidy/tenancy for the entire household. Please contact the management staff if you have questions about this policy. (Refer to Appendix D)

21.0 CHANGES IN HOUSEHOLD COMPOSITION – REMOVING HOUSEHOLD MEMBERS

Tenants must notify KCDC if any household member listed on the lease or on HUD Form 50059 leaves the unit. This notification must occur as quickly as possible but not to exceed thirty (30) calendar days.

Upon notice, the rent payment will be re-calculated to remove any income or allowances for the previous household member. If the rent increases, the increase will take effect on the first of the month following delivery of a 30-day notice of change to rent. If the rent decreases, the decrease will take effect the first of the month following the removal of the household member.

Failure to provide notice to KCDC within thirty (30) days could result in rent increases retroactive to the first of the month after the household member left. Subsidy paid in error will be returned, as required, to the Department of Housing and Urban Development.

If the tenant fails to notify KCDC of a change in household composition within thirty (30) calendar days, and that change would result in a rent decrease, KCDC will make the decrease effective the first of the month following the notice. No retroactive rent credits will be returned to the tenant.

No household under eviction may add household members to the Lease.

Failure to notify KCDC about changes in household composition may result in termination of subsidy and/or tenancy for the entire household. Please contact management if you have questions about this policy. (Refer to Appendix D)

22.0 HOUSEHOLD SPLIT

In some cases, a household may split. A Split Household is defined as one assisted household becoming two or more assisted households.

This happens when one or more household members move out of the unit into a new unit. Some of the original household members remain in the original unit.

When this happens, those members establishing a “new” household must complete new application documents and submit to the owner/agent and will be responsible for paying the required security deposit amount.

The “new” household must be eligible and must meet all screening requirements. The tenant selection plan in effect at the time of the final eligibility determination will be used.

22.1 HOUSEHOLD SPLIT – SECURITY DEPOSITS

If the household “splits” and one or more tenants remain in the original unit, the original security deposit will remain with the original unit and a new security deposit will be collected for the new unit.

23.0 CHANGES TO THE TENANT SELECTION PLAN

Applicants will be notified in writing when the tenant selection plan undergoes significant change or when preferences are added or removed. At that time, applicants will be:

- A. Given an opportunity to review the new plan,
- B. Notified of changes to preferences, if applicable, and
- C. Asked if they wish to remain on the waiting list

If the applicant household does not respond, that household will be deemed ineligible and removed from the waiting list. The current tenant selection plan, in place at the time of final eligibility determination, will be used to make a final decision to approve or reject the application.

24.0 SMOKING POLICY

Smoking is prohibited in any area of the property, both private and common, whether enclosed or outdoors, except in designated smoking areas located within 25 feet of such buildings or playgrounds. This policy applies to all owners, property staff, applicants, tenants, guests, volunteers, and contractors.

“Smoking” shall include the inhaling, exhaling, or carrying of any lighted cigarette, e-cigarette, cigar, pipe, hookah, other tobacco products (smokeless tobacco), marijuana including medical marijuana, herbal smoking products “Legal Weed” or products known as “bath salts” or other legal substance.

Please note that use of illegal or controlled substances is grounds for denial of housing/assistance in accordance with the Quality Work and Housing Responsibility Act (QWHRA). Use of illegal or control substances after residency may result in termination of housing assistance as allowed under regulation.

Regardless of the purpose of legalization under state law, the use of marijuana in any form is illegal under the Controlled Substances Act (CSA) and therefore is an illegal controlled substance under Section 577 of the Quality Housing and Work Responsibility Act (QHWRA). Based on federal law, new admissions of any marijuana user – including people who use medical marijuana – are prohibited.

QHWRA requires KCDC to establish lease standards that prohibit admission based on the illegal use of controlled substances including state legalized marijuana. State laws that legalize marijuana directly conflict with QHWRA and thus are subject to federal preemption.

Tenants are prohibited from using marijuana (even in a smokeless manner). If HUD rules change, the Tenant Selection plan and the property House Rules may be edited to conform to the policies set forth by HUD.

25.0 MISREPRESENTATION

Any information provided by the applicant that proves to be untrue may be used to disqualify the applicant because of misrepresentation or attempted fraud. KCDC will not take any action to reduce or deny assistance based on inconsistent information received during the verification process until

KCDC has independently investigated the information. KCDC considers false information about the following to be grounds for rejecting an applicant:

- Identity
- Social Security Numbers/Information
- Income/Assets/Income from Assets
- Household Composition
- Disability
- Date of Birth/Age
- Citizenship, Naturalization, and/or Eligible Immigration Status
- Eviction History
- Criminal History
- Sexual Offender Status
- Eligibility
- Allowances
- Current/Previous Residence History
- Current Housing Assistance
- Student Status

Unintentional errors that do not cause preferential treatment will not be used as a basis to reject applicants.

26.0 FRAUD/MISREPRESENTATION

If an owner suspects a tenant has inaccurately supplied or misrepresented information that affects the rent or a family's eligibility, KCDC must investigate and document the tenant file.

- If the tenant meets with KCDC to discuss the error, and KCDC is convinced the submissions were correct, KCDC will document the file accordingly and close the investigation.
- If, after meeting the tenant, KCDC determines the provision of inaccurate information was an unintentional program violation, KCDC will correct the rent calculation, if applicable, and provide the tenant with notice of the change in rent. If the tenant received an improper payment, the tenant will be required to return that improper payment, in compliance with the HUD Model Lease.
- If the tenant is unable to repay the full amount, KCDC and the tenant may enter into a repayment agreement.
- If, after the income adjustment, the family no longer qualifies for assistance, the family may remain in the property subject to making repayments and paying market rent.
- KCDC may terminate tenancy if the tenant refuses to pay any new monthly rent or refuses to repay the previously overpaid subsidy (improper payment) pursuant to any Repayment Agreement.
- KCDC may terminate tenancy if the tenant refuses to enter into a Repayment Agreement if such option is offered.
- If necessary, civil action may be filed to recover the funds.

- If KCDC determines the tenant knowingly provided inaccurate or incomplete information, and this can be substantiated through documentation, KCDC will pursue the incident as fraud.

27.0 ERRORS CAUSED BY KCDC, SERVICE BUREAU OR SOFTWARE

If KCDC determines an error was made and the family's income was over-reported, KCDC must complete corrections to the prior certification(s) affected by the income change. Once the corrections have been made, KCDC must determine the difference between the amount of rent paid and the rent that should have been paid.

- KCDC will request a meeting with the tenant to discuss the error;
- KCDC will prepare corrections or new certifications that must be signed by all family members;
- KCDC will provide the family with written notification, which includes:
 - A notice of the change in rent, effective retroactively to when the error occurred;
 - The new monthly rent the tenant is required to pay;
 - The amount of the overpayment of rent due; and
 - A form used by the tenant's choosing whether to:
 - Receive a full refund; or
 - Apply the overpayment to future monthly rent payments.
 - Any credit will be applied to any outstanding rent payments before calculating the amount due to the tenant.

Appendix A – Income Limits and Occupancy Standards

Income Limits % by Property

Property	Income Limit	Property	Income Limit
Lonsdale Homes	60%	Five Points 2	50% & 60%
North Ridge Crossing	60%	Five Points 3	60%
Vista at Summit Hill	60%	Five Points 4	60%
Western Heights (Income Averaging)	30%, 60%, 80%		

Note: All properties noted above are all considered Section 8 (Pre-1981).

Available Bedroom Sizes by Property					
Property	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Lonsdale Homes	Yes	Yes	Yes	Yes	No
North Ridge Crossing	Yes	Yes	Yes	Yes	Yes
Vista at Summit Hill	Yes	Yes	Yes	No	No
Five Points 2	Yes	Yes	Yes	Yes	No
Five Points 3	Yes	Yes	Yes	No	No
Five Points 4	Yes	Yes	Yes	Yes	Yes
Western Heights	Yes	Yes	Yes	No	No

2025 Income Limits (By HUD-Assisted Programs)								
Program	Number of Household Members							
	1	2	3	4	5	6	7	8
Low-Income Public Housing Only (3-4)								
Low Income 80%	55,650	63,600	71,550	79,500	85,900	92,250	98,600	104,960
Very Low Income 50%	34,750	39,750	44,700	49,700	53,650	57,650	61,650	65,600
Extremely Low Income 30%	20,900	23,850	26,850	32,150	37,650	43,150	48,650	54,150
PBRA-Only Properties								
PBRA-ONLY 80%	55,650	63,600	71,550	79,500	85,900	92,250	98,600	104,960
PBRA/LIHTC Layered Properties								
Low Income Housing Tax Credit 60%	41,700	47,700	53,650	59,640	64,380	69,180	73,980	78,720
Low Income Housing Tax Credit/PBRA 50%	34,750	39,750	44,700	49,700	53,650	57,650	61,650	65,600
Low-Income Housing Tax Credit Properties (Income Averaging) Western Heights (3-1) & First Creek Phase II								
LIHTC Income Averaging 80% (Western/FC 1B)	50,960	58,240	65,520	72,800	78,640	84,480	90,320	96,160
LIHTC Income Averaging 60% (Western/FC 1B)	41,700	47,700	53,650	59,640	64,380	69,180	73,980	78,720
LIHTC Income Averaging (30%) (Western/First Creek II)	20,850	23,850	26,820	29,820	32,190	34,590	36,990	39,360

Appendix B – Request for Reasonable Accommodation or Modification

KCDC is committed to complying with the Fair Housing Act and Section 504 of the Rehabilitation Act by ensuring that its policies and practices do not deny individuals with disabilities the opportunity to participate in, or benefit from, nor otherwise discriminate against individuals with disabilities in connection with the operation of housing services or programs solely on the basis of such disabilities.

If an individual with a disability requests an accommodation or modification, KCDC will fulfill these requests, unless doing so would result in a fundamental alteration in the nature of the program or create an undue financial and administrative burden. In such a case, if possible, KCDC will offer an alternative solution that would not result in a financial or administrative burden.

KCDC informs all applicants/tenants that, at any time, the applicant/tenant or a person acting on behalf of the applicant/tenant may make a request for reasonable accommodation or modification for an individual with a disability.

At the time of application, all applicants are provided with a copy of the Reasonable Accommodation - Modification Policy. This is provided as part of the Application Package or, upon the applicant's request, the Policy will be provided in an equally effective format.

All applicants/tenants are provided with a Notice of Reasonable Accommodation Request Form when requesting a reasonable accommodation or modification. The request will be accepted in an equally effective format, as a reasonable accommodation. A tenant or applicant may submit the request in writing, orally, or use another equally effective means of communication to request an accommodation or modification.

Tenants and applicants may contact the management office located within their property for information about requests.

The owner/agent will provide an initial reply to requests as quickly as possible, but no more than ten (10) business days from the receipt of the request unless the owner/agent explains the delay. Response may include but is not limited to:

1. Request Approval
2. Request Denial
3. Request for Additional Information or Verification of Need

KCDC will consent to or deny the request as quickly as possible. Unless KCDC explains the delay, the applicant/tenant will be notified of the decision to consent or deny within no more than thirty (30) calendar days after receiving all necessary information and documentation from the tenant and/or appropriate verification sources. All decisions to grant or deny reasonable accommodations will be communicated in writing or, if required/requested, in an alternative format.

Exceptions to the thirty (30) day period for notification of the owner/agent's decision on the request will be provided to the tenant setting forth the reasons for the delay.

If the request for reasonable accommodation or modification is denied, the requestor has the right to appeal the decision within ten (10) business days of the date of the written notification of denial. The appeal meeting will be conducted by a person who was not originally involved in the decision to deny.

Appendix C – Citizen/Non-Citizen Eligibility

Applicants are required to declare U.S. Citizenship or submit evidence of eligible immigration status for each of household member seeking housing assistance. KCDC is required to obtain the following documents:

1. Family Summary Sheet (lists all household members who will reside in the assisted unit on the KCDC Application)
2. Declaration of Citizenship Declaration Form (One completed for each household member)
3. Forms and/or evidence of citizen/immigration status
4. Listing of Non-Contending Family Members (For those who wish not to report their eligibility status, if applicable)
5. INS Verification Consent Form
6. INS Verification Form (Document)

If you have any questions or difficulty in providing the described information or determining the type of documentation required, please contact the management office. If you are unable to provide the required documentation in the timeframe indicated, you must contact the management office and request an extension. If you fail to provide this information, KCDC cannot provide assistance.

KCDC will offer the household assistance, providing subsidy to those household members whose documents were received on time when the following criteria is met:

1. Assistance/unit is available
2. The household has come to the top of the waiting list
3. At least one member of the household has submitted the required documentation in a timely manner and has been determined to be eligible based on all of the criteria in this tenant selection plan

If any household member is determined to be an ineligible non-citizen, either at application or after move-in, assistance may be prorated or terminated.

REQUIRED DOCUMENTATION

KCDC must obtain the following documentation for each household member regardless of age:

- From U.S. citizens, a signed declaration of citizenship. The owner/agent requires verification of the declaration.
 - The following documents will be accepted as proof of citizenship
 - United States (U.S.) Passport
 - U.S. birth certificate
 - Other documentation as provided by HUD or DHS
- From non-citizens claiming eligible status who is 62 or older:
 - A signed declaration of eligible immigration status and
 - Proof of age
- From non-citizens claiming eligible status who is not 62 or older:
 - A signed declaration of eligible immigration status and
 - A signed consent form **and**
 - One of the DHS-approved documents

- Form I-551, Permanent Tenant Card.
- Form I-94, Arrival-Departure Record annotated with one of the following:
 - “Admitted as a Refugee Pursuant to Section 207”;
 - “Section 208” or “Asylum”;
 - “Section 243(h)” or “Deportation stayed by Attorney General”;
 - “Paroled Pursuant to Section 212(d)(5) of the INA.”
- Form I-94, Arrival-Departure Record (with no annotation) accompanied by one of the following:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (application filed was before October 1, 1990);
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).
 - A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant’s entitlement to the document has been verified.
 - Other acceptable evidence.

If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register.

TIMEFRAMES FOR SUBMITTING EVIDENCE OF CITIZENSHIP/IMMIGRATION STATUS TO THE OWNER/AGENT

Applicants must submit required documentation of citizenship/immigration status no later than the date KCDC initiates verification of other eligibility factors (pre-application or application). KCDC determines the applicant’s citizenship or immigration status during the initial eligibility determination prior to move-in.

If the applicant cannot supply the documentation within the owner/agent’s specified timeframe, KCDC may grant the applicant an extension of not more than thirty (30) days, but only if the applicant certifies that the documentation is temporarily unavailable and additional time is needed to collect and submit the required documentation. (Although the extension period may not exceed thirty (30) days, KCDC may establish a shorter extension period based on the circumstances of the individual case.)

KCDC will inform the applicant in writing (or, if required/requested, in an alternative format) if an extension request is granted or denied. If the request is granted, KCDC will include the new deadline for submitting the documentation. If the request is denied, KCDC will state the reasons for the denial in the response. When granting or rejecting extensions, KCDC will treat applicants consistently.

REVIEWING AND VERIFICATION OF A HOUSEHOLD’S CITIZENSHIP/IMMIGRATION STATUS

KCDC will conduct primary verification through the (Systematic Alien Verification for Entitlements) SAVE ASVI database - the Department of Homeland Security (DHS) automated system.

After accessing the ASIV database, the owner/agent enters the required data fields. The system will display one of the following messages for immigration status confirmation on the screen.

- Lawful Permanent Tenant
- Temporary Tenant
- Conditional Tenant
- Asylee
- Refugee
- Cuban\Haitian Entrant
- Conditional Entrant

Secondary verification. If the message “institute secondary verification” is displayed on the screen, the manual verification process must be used.

Within ten (10) days of receiving an “Institute Secondary Verification” response, KCDC will prepare DHS Form G-845S, Document Verification Request. KCDC will send DHS Form G-845S and photocopies of the DHS documents submitted by the applicant to the DHS office serving the property’s jurisdiction.

The DHS will return to KCDC a copy of DHS Form G-845S indicating the results of the automated and manual search.

NOTIFICATION TO APPLICANTS

KCDC will notify households in writing that they are:

- Eligible for assistance
- Eligible for partial assistance, as a mixed household

KCDC will notify applicants and/or tenants in writing if they are found to be ineligible based upon citizenship/immigration status.

MIXED HOUSEHOLDS

A mixed household—a household with one or more ineligible members and one or more eligible household members—may receive:

- Prorated assistance
- Continued assistance

APPEALING DETERMINATIONS OF INELIGIBILITY

KCDC will notify the household in writing as soon as possible if the secondary verification process returns a negative result.

The applicant or tenant has thirty (30) days from receipt of the notice to choose which option to follow.

The applicant or tenant may appeal KCDC’s decision directly to the DHS. The applicant or tenant must send a copy of the appeal directly to the owner/agent. The DHS should respond to the appeal within thirty (30) days.

If the DHS decision results in a positive determination of eligibility, KCDC can provide the appropriate housing assistance. If the DHS decision results in a negative determination of eligibility, the household has thirty (30) days to request a hearing with the owner/agent.

PROHIBITION AGAINST DELAY OF ASSISTANCE

KCDC may not delay the household's assistance if the applicant or tenant submitted immigration information in a timely manner but the DHS verification or appeals process has not been completed.

If a unit is available, the household has come to the top of the waiting list, and at least one member of the household has submitted the required documentation in a timely manner and has been determined to be eligible, KCDC will offer the household a unit and provide full assistance to those household members whose documents were received on time. KCDC will continue to provide full assistance to such households until information establishing the immigration status of any remaining non-citizen household members has been received and verified.

Appendix D – Verification of Household Composition

In compliance with HUD’s Rental Housing Integrity Improvement Project (RHIP), KCDC will make every effort to ensure that the correct assistance is provided to those who seek housing assistance.

If an applicant household indicates that one or more members should be removed from the application, KCDC will accept such notification from the Head-of-Household (HOH) if it is provided on a notarized form provided by the owner agent. The following rules apply.

If the household is being rejected because a member is registered as a sex offender in any state lifetime sex offender registry, KCDC will take extra steps to ensure that the sex offender is not housed in any unit on the property. The household will have to provide documentation to prove that the sex offender will live at another location. Acceptable documentation includes, but is not limited to:

- Confirmation from a landlord with copy of an executed lease
- Confirmation from local police
- Confirmation from anyone who maintains sex offender registries including but not limited to:
 - Dru Sjodin Sex Offender Registry
 - Megan’s List
 - State or Federal Sex Offender Registries
 - New driver’s license with new address

Information will be confirmed for up to one year after moving in.

If it is discovered that the household allowed any registered sex offender to live in the unit, the applicant must understand that he/she is not qualified to receive subsidy or live on the property. All subsidy paid-in-error must be returned to HUD. Because this is a material lease violation, all household members must vacate the unit within 30 days.

One of the key requirements, at application and during residency, is to disclose who will be living in the unit at any given time. It is important to understand the difference between a tenant and a guest.

Tenant: A tenant is any person who is listed on the application, on any Family Summary submitted and on the lease who will reside in the unit.

Guest: A guest is a person who visits any tenant and may stay overnight no more than thirty (30) consecutive nights in a one-year period and may stay overnight no more than ninety (90) non-consecutive nights in any one-year period without express written consent of the owner/agent.

If KCDC suspects that a guest should actually be classified as a tenant, KCDC will request a meeting with the Head-of-Household (HOH).

In accordance with HUD requirements, the tenant will have ten (10) days to meet with the owner/agent. Failure to respond to the request to meet will result in termination of assistance beginning the first of the month following the 10-day notice.

If KCDC suspects that a guest is actually living in the unit, KCDC will ask for verification of alternative residence. Samples of such verification include one or more of the following:

- Verification with the United States Postal Service that no mail, for the guest, is delivered to the unit address
- *A current driver's license for the "guest" with an alternative address
- *A current lease indicating an alternative residence
- *A current utility bill in the person's name showing an alternative address
- *A current insurance policy or other such invoice/bill showing an alternative address
 - *Current means issued/created within the last thirty (90) days.

In addition, the tenant(s), indicated on the lease, must sign a statement confirming that the guest does not violate the guest policy as indicated above and does not reside in the unit.

Live-in Aides: A live-in aide must meet HUD's definition of a live-in aide:

1. Is essential to the care and well-being of the tenant
2. Is not dependent on the tenant for support
3. Is only living in the unit to provide essential support

If a tenant or applicant requests a live-in aide, the owner/agent is required to verify the need for a live-in aide using third-party verification.

The prospective live-in aide will be screened in accordance with the tenant selection plan in place at the time of review. The live-in aide will not be screened for the "ability to pay rent" since the live-in aide is not responsible for rent payment.

The live-in aide must be approved and must sign the House Rules and the HUD-approved Live-in Aide Policy prior to move-in. KCDC must sign a revised 50059 before the live-in aide is allowed to move-in.

If a live-in aide moves in prior to screening and prior to signing required forms, KCDC will issue a notice of lease violation and may pursue other action including, but not limited to eviction of the live-in aide, termination of assistance and/or termination of tenancy.

Children/Minors: At move-in, all non-exempt household members, including children, must have a Social Security Number and adequate documentation to verify the Social Security Number.

When children are later added to the household, the following will be required.

For children who are born, adopted or in foster care, KCDC requires the following:

- Social Security Number and proof that the number is valid
- For children under the age of 6 years old – proof must be provided within ninety (90) days or owner/agent is required to terminate tenancy.
- An additional ninety (90) may be provided if extenuating circumstances exist
- Adoption paperwork indicating that a household member is a parent as appropriate; or
- Verification from the foster agency indicating the unit as the primary residence of the foster child as appropriate; or
- Other documents proving legal custody arrangement as appropriate

KCDC does not and will not establish policies intended to exclude children. If none of the household members can provide documentation for minors, as described above, KCDC will meet with the tenant to discuss reasonable alternatives. KCDC will be the final judge of what is considered adequate documentation proving household composition/residency.

Appendix E – Fair Housing and Other Civil Rights Protections

Fair Housing

The Fair Housing Act prohibits discrimination in housing and housing related transactions based on race, color, religion, sex, national origin, disability, and familial status.

Title VI of the Civil Rights Act of 1964

KCDC complies with Title VI of the Civil Rights Act of 1964 which prohibits discrimination based on race, color, or national origin in any program or activity receiving federal financial assistance from HUD.

Section 504 of the Rehabilitation Act of 1973

KCDC complies with Section 504 of the Rehabilitation Act of 1973 which prohibits discrimination, based on the presence of a disability in all programs or activities operated by recipients of federal financial assistance.

Although Section 504 protections often overlap with the disability discrimination prohibitions included in the Fair Housing Act, Section 504 differs in that it imposes broader affirmative obligations to make their programs, as a whole, accessible to persons with disabilities.

Coordinating Efforts to Comply with Section 504 Requirements

KCDC has designated a person to address questions or requests regarding the specific needs of tenants and applicants with disabilities. This person is referred to as the Section 504 Coordinator.

Name of Section 504 Coordinator:	Stephanie Romines
Address:	901 N. Broadway Knoxville, Tennessee 37917
Phone Number:	865-403-1119
TDD/TTY Number:	1-800-848-0298 (Tennessee Relay Center)

Requests for Reasonable Accommodation or Modification

In accordance with the Fair Housing Act and Section 504 of the Rehabilitation Act, KCDC will make reasonable accommodations or modifications for individuals with disabilities (applicants or tenants) unless these modifications would change the fundamental nature of the housing program or result in undue financial and administrative burden. Please see Appendix B for additional information.

Limited English Proficiency

Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)" requires KCDC to develop and implement a system to provide housing assistance so persons with Limited English Proficiency (LEP) can have meaningful access to assisted housing opportunities.

KCDC will provide for such meaningful access consistent with, and without unduly burdening the fundamental mission of the property. KCDC will work to ensure that people who apply for and/or qualify for housing assistance are provided with meaningful access to HUD's housing assistance program.

The Equal Access Rule

KCDC ensures that HUD's core housing programs are open to all eligible persons regardless of sexual orientation, gender identity or marital status in accordance with The Equal Access Rule.

Protections Provided Under VAWA

Please see the VAWA Notice of Occupancy Rights for a more detailed explanation of the process used to assist you in exercising protections provided under VAWA.

The Violence Against Women Act (VAWA) provides protections to women or men who are tenants of any "covered housing program" and who are the victims of domestic violence, dating violence, sexual assault and/or stalking – collectively referred to as VAWA crimes. KCDC understands that, regardless of whether state or local laws protect victims of VAWA crimes, people who have been victims of violence have certain rights under federal fair housing regulation.

This policy is intended to support or assist victims of VAWA crimes and protect victims, as well as affiliated persons, from being denied housing or from losing their HUD assisted housing because of their status as a victim of VAWA crimes.

VAWA protections are provided to affiliated persons which are defined as follows:

1. A spouse, parent, brother, sister, or child of the victim, or a person to whom the victim stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of the victim); or
2. Any individual, tenant/applicant, or lawful occupant living in the household of that individual.

VAWA ensures that victims assistance is not terminated solely because the person is a victim of a VAWA crime.

Being a victim of a VAWA crime is not a reason to waive requirements set forth in the HUD Model Lease or in any lease attachment or HUD approved lease addendum unless being a victim of a VAWA crime was the cause of the lease violation.

When applicable, the tenant will be required to work with KCDC to reduce the likelihood of future lease violations.

Confidentiality

KCDC is committed to ensuring that the Privacy Act is enforced in this and all other situations.

HUD Form 5380 Notice of Occupancy Rights under the Violence Against Women Act provides notice to the tenant/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof. The identity of the victim and all information provided to the KCDC relating to the incident(s) of abuse covered under the VAWA will be retained in confidence.

Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is

1. Requested or consented to by the victim in writing for a limited period of time; or
2. Required for use in an eviction proceeding or termination of assistance; or
3. Otherwise required by applicable law.

KCDC will retain all documentation relating to an individual's domestic violence, dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or tenant files.

Requests & Certification

The person seeking VAWA protections may make a request for a VAWA accommodation in any reasonable manner. The tenant may:

- Complete a VAWA Request Form provided by the KCDC
- Submit a written request (including email but not texting)
- Make a personal (oral) request either in person or via phone

Once a request is made, KCDC requires that the tenant certify their status as a victim of a VAWA crime or as a person affiliated with a victim of a VAWA crime using one of the following methods. Tenants decide which of the following methods is used to certify their status as a victim of a VAWA crime or as someone affiliated with a victim of a VAWA crime.

Option 1:

When KCDC responds to a request to exercise protections provided under the VAWA, KCDC will request that an individual provide HUD Form 5382 Certification as a Victim of Domestic Violence, Dating Violence, Stalking or Sexual Assault to certify status as a VAWA victim or as a person affiliated with a VAWA Victim. The person seeking VAWA protections may obtain this form from the property staff or from HUD's web site.

KCDC understands that the delivery of the certification form to the tenant via mail may place the victim at risk, (e.g., the accused perpetrator may monitor the mail). KCDC will work with the tenant to make acceptable delivery arrangements.

Option 2:

Alternatively, if the tenant has sought assistance in addressing domestic violence, dating violence, sexual assault and/or stalking from a federal, state, tribal, territorial jurisdiction, local police or court, the tenant may submit written proof of this outreach in lieu of the certification form.

KCDC will accept a federal, state, tribal, territorial, or local police record or court record other official record documenting status as a victim of a VAWA crime or a person affiliated with a victim of a VAWA crime as defined in this policy.

Option 3:

KCDC will also accept a document signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the person seeking VAWA protections has sought assistance in addressing domestic violence, dating violence, sexual assault and/or stalking or the effects of the abuse. This document must be signed by the tenant.

The signatory attests under penalty of perjury that he/she believes it is the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under the VAWA, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking.

Based on HUD's instruction above, the written statement must be signed, dated, witnessed, and must include the following language:

Name of person seeking protections has worked with me to receive assistance in addressing domestic violence, dating violence, sexual assault and/or stalking or the effects of the abuse.

Name of professional providing documentation believe it is the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under the VAWA, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking

Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government, HUD, the PHA and any owner (or any employee of HUD, the PHA or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the PHA or the owner responsible for the unauthorized disclosure or improper use. Penalty provisions for misusing the social security number are contained in the Social Security Act at 208 (a) (6), (7) and (8). Violation of these provisions are cited as violations of 42 U.S.C. 408 (a) (6), (7) and (8).

The information provided above is true and is based on my knowledge of incidents involving domestic violence, dating violence, sexual assault or stalking.

Signed and dated by person providing certification: _____

I acknowledge that submission of false information is a basis for denial of admission, termination of assistance, or eviction. In addition, providing false information may prompt the KCDC to notify HUD and pursue civil action related to fraud based on HUD requirements. I am requesting to exercise protections provided through the VAWA because I am a victim of domestic violence, dating violence, stalking and/or sexual assault (VAWA crimes) or I am a person affiliated with someone who is a victim of a VAWA crime as defined in this document.

Signed and dated by person seeking VAWA protections:

KCDC can provide you with a form that can be used to fulfill this requirement.

The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

The person seeking VAWA protections will have thirty (30) calendar days from the date of the written request to provide certification using any of the options above.

This certification may be submitted in an equally effective manner, as a reasonable accommodation, if there is the presence of a disability.

If KCDC receives documentation that contains conflicting information (including certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator), KCDC will require a tenant to submit third-party documentation, as described above in Option 2 or Option 3, within thirty (30) calendar days of the date of the request for the third-party documentation.

To ensure that a person is not wrongly accused of committing an act covered under the VAWA, KCDC will carefully evaluate abuse claims as to avoid denial, termination of assistance, termination of tenancy or eviction based on false or unsubstantiated accusations.

KCDC will review and respond to requests to exercise protections provided under the VAWA as quickly as possible but within no more than ten (10) business days of receiving all required documentation.

KDC may provide the response in any manner acceptable to the victim and KCDC. Responses include:

- Approval of the Request for a specific VAWA accommodation
- Denial of the Request for a specific VAWA accommodation
- Request for additional information or Request to Meet

If the request is denied, the person seeking VAWA protections will have the right to appeal. Requests to appeal must be received within ten (10) business days of the date of the denial. When requested, the appeal will be held with someone who was not involved in the original decision to deny. KCDC will grant a reasonable accommodation when there is the presence of a disability.

On March 15, 2022, Ptenant Biden signed into law the Consolidated Appropriations Act of 2022, which included the Violence Against Women Act Reauthorization of 2022 ("VAWA 2022"). VAWA 2022, reauthorizes, amends, and strengthens VAWA by adding to and not replacing existing housing protections for survivors.

The Reauthorization Act of 2022 revises definitions of "Domestic Violence" and adds the definitions of Economic Abuse and Technological Abuse. The statutory definitions are as follows:

Domestic Violence

The term ‘domestic violence’ includes felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding and, in the case of victim services, includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person, who:

- Is a current or former spouse or intimate partner of the victim, or person similarly situated to a spouse of the victim;
- Is cohabitating, or who has cohabitated, with the victim as a spouse or intimate partner;
- Shares a child in common with the victim; or
- Commits acts against a youth or adult victim who is protected from those acts under the family or domestic violence laws of the jurisdiction.

Economic Abuse

The term “economic abuse”, in the context of domestic violence, dating violence, and abuse in later life, means behavior that is coercive, deceptive, or unreasonably controls or restrains a person’s ability to acquire, use, or maintain economic resource to which they are entitled, including using coercion, fraud, or manipulation to:

- Restrict a person’s access to money, assets, credit, or financial information;
- Unfairly use a person’s personal economic resources, including money, assets, and credit, for one’s own advantage; or
- Exert undue influence over a person’s financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or failing or neglecting to act in the best interests of a person to whom one has fiduciary duty.

Technological Abuse

The term “technological abuse” means an act or pattern of behavior that occurs within domestic violence, sexual assault, dating violence or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor, except as otherwise permitted by law, another person, that occurs using any form of technology, including but not limited to: internet enabled devices, online spaces and platforms, computers, mobile devices, cameras and imaging programs, apps, location tracking devices, or communication technologies, or any other emerging technologies.

Nonretaliation

KCDC will not discriminate against any person because that person has opposed any act or practice made unlawful by the Violence Against Women Act or because that person testified, assisted, or participated in any matter related to the Violence Against Women Act or a VAWA crime.

Noncoercion

KCDC shall not coerce, intimidate, threaten, or interfere with, or retaliate against, any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any rights or protections under the Violence Against Women Act including:

1. Intimidating or threatening any person because that person is assisting or encouraging a person entitled to claim the rights or protections under the Violence Against Women Act.
2. Retaliating against any person because that person has participated in any investigation or action to enforce the Violence Against Women Act.

Protection to Report Crimes from Home

KCDC, tenants, occupants, service providers, guests and applicants:

1. Shall have the right to seek law enforcement or emergency assistance on their own behalf or on behalf of another person in need of assistance; and
2. Shall not be penalized based on their requests for assistance or based on criminal activity of which they are a victim or otherwise not at fault under statutes, ordinances, regulations, or policies adopted or enforced by governmental entities. Prohibited penalties include:
 - a. Actual or threatened assessment of monetary or criminal penalties, fines or fees.
 - b. Actual or threatened eviction.
 - c. Actual or threatened refusal to rent or renew tenancy.
 - d. Actual or threatened refusal to issue occupancy permit or landlord permit.
 - e. Actual or threatened closure of the property, or designation of the property as a nuisance or a similarly negative designation.

Lease Bifurcation

If KCDC determines that physical abuse caused by a tenant is clear and present, the law provides KCDC the authority to bifurcate a lease (i.e., remove, evict, or terminate housing assistance to any accused perpetrator), while allowing the victim, who lawfully occupies the home, to maintain tenancy.

KCDC may attempt to evict the accused perpetrator, but tenants should know that state/local tenant/landlord laws prevail and KCDC must comply with such laws. KCDC cannot guarantee that a court will award or enforce an eviction.

The tenant must keep in mind that eviction of or termination action must be in accordance with the procedures prescribed by federal, state, and local law. KCDC is committed to attempting to assist the victim and persons affiliated with the victim, however, evictions are generally carried out through the court system and the KCDC cannot override or circumvent a legal decision.

In the event that one household member is removed from the unit because of engaging in acts of domestic violence, dating violence, sexual assault and/or stalking against another household member, an appropriate certification will be processed reflecting the change in household composition. Special consideration will be given if the remaining household members are not qualified to remain in the unit as a "remaining household member".

Legal Action

Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, KCDC may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

The VAWA does not limit the authority of KCDC, when notified of a court order, to comply with a court order with respect to:

- The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
- The distribution or possession of property among members of a household.

Termination of Tenancy or Termination of Assistance

The VAWA does not limit KCDC's authority to evict or terminate assistance to a tenant for any violation that is not the result of an act of domestic violence, dating violence, sexual assault, or stalking.

KCDC will not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.

The VAWA does not limit KCDC's authority to terminate assistance to or evict a tenant under a covered housing program when KCDC can demonstrate an actual and imminent threat (to other tenants or those employed at or providing service to property of the covered housing provider) would be present if that tenant or lawful occupant is not evicted/terminated. In this context, words, gestures, actions, or other indicators will be considered an "actual and imminent threat" if they meet the standards provided in the definition of "actual and imminent threat".

Note: Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: The duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Determinations about the presence of imminent danger will not be based on stereotypes but will be tailored to specific concerns about individual tenants.

KCDC will take into account individual circumstances when making a determination to terminate tenancy; such circumstances might include, among other things, the seriousness of the offending action, the extent of participation by the leaseholder in the offending action, and whether the leaseholder, if not the wrongdoer, took all feasible steps to prevent the offending action from occurring and has removed the offending person from the lease or otherwise banned the offending person from the premises in the future.

Any eviction or termination of assistance will be initiated only when there are no other actions that could be taken to reduce or eliminate the threat. Examples of such action include, but are not limited to:

- Transferring the victim to a different unit when doing so would reduce or eliminate the threat – Also see Addendum A for information about VAWA Emergency Transfers,
- Barring the perpetrator from the property,
- Contacting law enforcement to increase police presence
- Develop other plans to keep the property safe, or
- Seeking other legal remedies to prevent the perpetrator from acting on a threat

Lease Addendum

The HUD approved lease addendum will be implemented and provided in accordance with HUD guidance.

VAWA Emergency Transfers

KCDC is concerned about the safety of tenants and applicants, and such concern extends to tenants and applicants who are victims of domestic violence, dating violence, sexual assault, or stalking – collectively referred to as VAWA crimes.

KCDC has developed a VAWA Emergency Transfer Plan that allows VAWA victims or people associated with VAWA victims to request a VAWA Emergency Transfer. Please refer to KCDC's VAWA Policy for detailed information.

Definitions

Please be aware of the following definitions related to relocation:

Internal VAWA emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant; that is, the tenant may reside in the new unit without having to undergo an application process. If a unit is available, the tenant must be eligible for the unit based on the requirements set forth by the governing agency. The tenant should discuss unit transfer eligibility requirements with KCDC and/or property staff to fully understand the requirements.

External VAWA emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant; that is the tenant must undergo an application process in order to reside in the new unit. The applicant may be required to meet the eligibility requirements and/or screening requirement set forth by the agencies that govern the housing program and by the property's KCDC.

Safe unit refers to a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe.

Internal and External VAWA Emergency Transfers (VET)

In accordance with the Violence Against Women Act (VAWA), KCDC allows tenants who are victims of VAWA crimes or people who are affiliated with victims of VAWA crimes to request a VAWA Emergency Transfer from the tenant's current unit to another unit that is part of this property (internal transfer). Tenants' who request and qualify for a VAWA Emergency Transfer will receive equal preference to any other tenant who makes and qualifies for an emergency unit transfer request.

Selection will be based on date and time the completed request and all required documents are received.

Tenants may request a VAWA Emergency Transfer from the tenant's current unit to another unit that is part of another property (external transfer). Tenants may also request assistance if they wish to request a VAWA Emergency Transfer to unit that is part of this property (internal transfer).

Regardless of whether the tenant is applying for an internal VAWA Emergency Transfer or an external VAWA Emergency Transfer, tenants requesting a VET must qualify for the new unit based on the requirements set forth by the governing agency.

When requesting an external VAWA Emergency Transfer, the tenant should understand that they may also be subject to other screening requirements set forth by KCDC guidelines responsible for the other property.

The tenant is responsible for paying for any expenses associated with the move.

The U.S. Department of Justice (DOJ) administers programs that provide funding for victims covered by VAWA, and the Victims Crime Fund could be used to pay for relocation expenses of these victims, or to provide other sources of support, which could free up funding to pay for moving costs. Information about the Crime Victims Fund is available at: <https://www.ovc.gov/about/victimsfund.html>. Information about Office of Violence Against Women grants is available at www.justice.gov/ovw/grant-programs.

Appendix F – KCDC Housing Portfolio Overview

The 2025 Income limits listed below for admission to Knoxville’s Community Development Corporation’s (KCDC) Section 8 Project-based, Section 202/PRAC, Multifamily PBRA/RAD and Low-Income Housing Tax Credit (LIHTC) programs were published April 1, 2025, by the Department of Housing and Urban Development (HUD) and are based on the Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. Annual income limits may be found at:

<https://www.huduser.gov/portal/datasets/il.html>

Property	Income Limit	Property	Income Limit
Western Heights LP (Income Averaging)	30%, 60%, 80%	Autumn Landing	80%
Five Points Family Multiplexes	80%	Montgomery Village	80%
Five Points 2	60%	Mechanicsville	80%
Five Points 3	60%	Passport Homes	80%
Five Points 4	60%	North Ridge Crossing	80%
Lonsdale Homes	60%	Vista at Summit Hill	80%
Valley Oaks	80%		

Available Bedroom Sizes by Property

Property	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Western Heights LP	X	X	X		
Five Points Family Multiplexes		X	X		
Five Points 2	X	X	X	X	
Five Points 3	X	X	X		
Five Points 4	X	X	X	X	X
Lonsdale Homes	X	X	X	X	
Montgomery Village	X	X	X	X	X
Mechanicsville		X	X		
Passport Homes		X	X		
North Ridge Crossing	X	X	X	X	X
Vista at Summit Hill	X	X	X		
Valley Oaks		X			

Housing Programs by Property

Property	Program Type	Property	Program Type
Western Heights LP (Income Averaging)	PBRA/LIHTC	Autumn Landing	PBRA
Five Points Family Multiplexes	PBRA	Montgomery Village	PBRA
Five Points 2	PBRA/LIHTC	Mechanicsville	PBRA
Five Points 3	PBRA/LIHTC	Passport Homes	PBRA
Five Points 4	PBRA/LIHTC	North Ridge Crossing	PBRA/LIHTC
Lonsdale Homes	PBRA/LIHTC	Vista at Summit Hill	PBRA/LIHTC
Valley Oaks	PBRA		