

<b>5-Year PHA Plan (for All PHAs)</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires: 03/31/2024</b>
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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, 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-50075-5Y** is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A.</b>	<b>PHA Information.</b>																																
<b>A.1</b>	<p><b>PHA Name:</b> <u>Knoxville’s Community Development Corporation (KCDC)</u> <span style="float: right;"><b>PHA Code:</b> <u>TN003</u></span>  <b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>07/2025</u>  <b>The Five-Year Period of the Plan (i.e. 2019-2023):</b> <u>2025-2029</u>  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, 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. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. 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 websites. PHAs are also encouraged to provide each resident council with 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" data-bbox="212 940 1471 1575"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></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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<b>B.</b>	<b>Plan Elements.</b> Required for <u>all</u> PHAs completing this form.																																
<b>B.1</b>	<p><b>Mission.</b> State the PHA’s mission for serving the needs of low-income, very low-income, and extremely low-income families in the PHA’s jurisdiction for the next five years.</p> <p><b>Improve neighborhoods and communities by providing quality affordable housing, advancing development initiatives and fostering self-sufficiency.</b></p>																																

**B.2**

**Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low-income, and extremely low-income families for the next five years.

**Goals for 2025 – 2029**

- Expand the supply of affordable housing by applying for additional Section 8 VASH vouchers, if available or needed, leverage private or other public funds to create additional housing opportunities, acquire or build units or developments, and explore housing development opportunities outside city limits.
- Increase affordable housing choices by exploring opportunities to utilize Project-Based Rental Assistance (PBRA), Project-Based Voucher (PBV), Mainstream Vouchers, Family Unification Program (FUP) Vouchers, Veterans Affairs Supportive Housing (VASH) Vouchers, and Agreement to Enter into a Housing Assistance Payment Contract (AHAP) Vouchers for new construction or rehabilitation activities for existing housing as well as other affordable housing programs when the opportunity arises. KCDC may explore the option of requesting an increase in KCDC's Faircloth Limit which is currently set at 2,616.
- Promote self-sufficiency and asset development of assisted households by continuing partnering activities with supportive services, organizations, and groups to assist residents with training and employment while attracting additional supportive service to increase independence for elderly and/or families with disabilities. KCDC will continue to explore the Jobs Plus Initiative for the Western Heights Community to provide employment-related services, financial incentives (income disregard) and community supportive services for participants who are employed.
- Ensure equal opportunity and affirmatively furthering fair housing by continued Fair Housing Policy training: continue affirmative measure to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, disability, sexual orientation, gender identity or marital status by participating and providing pertinent training for staff to include KCDC's Language Access Plan for Limited English Proficiency. Encouraging resident participation with Knoxville's Community Development Corporation in maintaining their property through training, education and resident initiatives.

B.3

**Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

**Previous 5-Year Goals (2020 – 2024)**

- **Expand the supply of affordable housing** by applying for additional Section 8 VASH vouchers, if available or needed, leverage private or other public funds to create additional housing opportunities, acquire or build units or developments, and explore housing development opportunities outside city limits.
  - Received \$0.00 funds from Knox County CDBG
  - Received \$15,955,621 from the City of Knoxville
  - Received \$2,019,166 from Tennessee Housing Development Agency
  - KCDC has received 150 VASH vouchers that are currently in circulation
  - KCDC has received 100 Mainstream vouchers and 140 Mainstream Non-Elderly vouchers that are currently in circulation.
  - KCDC has received 18 Family Unification Program vouchers that are currently in circulation.
  
- **Improve the quality of affordable housing** by increasing usage of Asset Planner software for Capital Fund needs, renovate and modernize the remaining public housing units through conversion from Low Income Public Housing to Project-Based Rental Assistance, Project-Based Voucher (non-RAD), demolish obsolete public housing units and provide replacement housing for demolished units.
  - As part of the \$40 million HUD Choice Neighborhood Implementation Grant awarded to KCDC in 2022 for Western Heights Addition (3-4), demolition of 196 existing units through the Section 18 application process (demolition and/or disposition). As of Q1 2025, 64 units have been demolished to facilitate the start of the CNI Implementation Plan. As part of the CNI Plan, all 196 units removed will be rebuilt across the various phases of the CNI over the next four years (through 2028). Phase I, which includes 76 units of the CNI includes closing activities and beginning construction in Q1 or Q2 of 2024. Phase I was capitalized with 9% tax credit equity, hard debt, soft loans from KCDC, deferred fees, local, state and federal grants. CNI funds and other funding streams available to KCDC. The complete project 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 began in 2022 and will continue through 2028. The existing Boy's and Girl's Club as part of the Western Heights 3-1 site will be extracted from any covenants or restrictions preventing recapitalization and renovations.
  - Tenant Protection Vouchers have been secured for all Western Heights residents affected by the demolition activities pursuant to CNI and Section 18 regulations.
  - As part of the Western Heights Master Plan, three buildings (WH001, WH002 and WH057) consisting of 12 units were demolished during Q4 of 2022.
  
- **Increase affordable housing choices** by exploring opportunities to utilize Project-Based Rental Assistance (PBRA), Project-Based Voucher (PBV), Mainstream Vouchers, Family Unification Program (FUP) Vouchers, Veterans Affairs Supportive (VASH) Vouchers, and Agreement to Enter into A Housing Assistance Payment Contract (AHAP) Vouchers for new construction or rehabilitation activities for existing housing as well as other affordable housing programs when the opportunity arises. KCDC may explore the option of requesting an increase in KCDC's Faircloth Limit which is currently set at 2,616.
  - In Q4 of 2024, KCDC completed construction of Liberty Place, a 32-unit apartment complex, with permanent on-site Veteran's Affairs supportive housing with a focus toward homeless veterans or veterans at risk for homelessness. All apartments are fully furnished with sixteen apartments fully ADA accessible. This project was financed with 9% tax credit equity, hard debt, local, state and federal funds/grants, deferred fees, KCDC soft loans and other sources. This project will be subject to a 20-year HUD VASH HAP contract that will provide project-based subsidy to all residents.
  - Austin Phase II: Construction of 180 units was completed during Q3 of 2024. All units are subject to a 20-year HAP contract for project-based subsidy.
  - Austin Phase III: KCDC began construction of six buildings, which include a total of 161 apartments. Fifty of those apartments will be designated as supportive housing for low-income elderly households. Forty-three of those units were previously Public Housing units. Austin Phase III is funded with 4% tax credits, MF TEBs, City of Knoxville funds, NHTF, deferred fees, KCDC soft loans, Section 202 Capital advance, hard debt and other sources. KCDC has partnered with an affiliate of Southeastern Housing Foundation who will serve as General Partner on this project.
  - Five Points Infill: KCDC began construction of ten single-family homes on in-fill lots in the Five Points neighborhood in late 2023. These were existing vacant lots owned by KCDC. Project-Based Voucher contracts will cover all homes in this project and will be funded with hard debt, City of Knoxville funds, deferred fees, KCDC soft loans, NHTF and other sources.
  - Five Points Master Plan has reached the following milestones:
    - New construction of 90 elderly/disabled units at Residences of Five Points 1 is completed and in full operation.
    - New construction of 84 family units at Five Points II is complete and in full operation.
    - New construction of 80 family units at Five Points III is complete and in full operation.
    - New construction of 82 family units at Five Points IV is complete and in full operation.
    - Five Points Master Plan Final Phase: Construction of ten single-family homes is underway with five homes completed and five remaining to be built as of the end of the calendar year 2025.

	<ul style="list-style-type: none"> <li>• Northgate Terrace: Major renovations as part of the conversion of Northgate Terrace from Low Income Public Housing to PBRA/RAD were completed in Q12024.</li> <li>• Western Heights (3-1): KCDC utilized 4% tax credits and bonds, combined with loan funds to renovate the first phase of the Western Heights Development Plan. Upon the completion of demolition in this phase of Western Heights the total number of units were reduced from 242 to 232. Major renovations included: new roofs, new porches and doors, landscaping and improved ADA accessibility.</li> <li>• <b>Provide improved affordable housing living environments</b> by designating developments or buildings for particular resident groups, such as elderly. <ul style="list-style-type: none"> <li>• As part of the First Creek at Austin Homes Phase III new construction development, KCDC development partner, Southeastern Housing Foundation, will be collaborating with KCDC to deliver resident supportive services as part of the HUD Section 202 PRAC program for 50 elderly households.</li> </ul> </li> <li>• <b>Improve the quality of affordable housing</b> by continued efforts to renovate and modernize the remaining 196 public housing units at Western Heights (3-4) Addition by utilizing the \$40 million HUD Choice Neighborhood Grant, awarded to KCDC in 2022. <ul style="list-style-type: none"> <li>○ As part of the Choice Neighborhood implementation at Western Heights (3-4), new parks and community spaces are coming to the neighborhood and will anchor the overall community transformation.</li> <li>○ A 25-year partner at the Austin Homes site has returned to the site after reconstruction. The Lighthouse was a long-standing partner that provided social services and youth services to residents. A ribbon cutting ceremony was held in late 2023 to mark their return.</li> <li>○ KCDC has partnered with Matter Health, a Nashville-based health care company, to provide on-site health care at four high rise sites which opened in 2022 and 2023. KCDC and Matter Health will expand their partnership to include Matter Mobile, dedicated in-home primary care for smaller scattered elderly sites.</li> <li>○ Community Resource Fairs continue to be held annually to bring partner social service agencies to the sites for residents to learn about and access available services. Each Fair has 15-25 partners who provide information on health services, food access, work force and job training programs, public safety and social service programs available in the community. KCDC will continue to identify partners and provide information and opportunities to residents as appropriate.</li> <li>○ KCDC has partnered with the Department of Energy's Oak Ridge National Laboratory (ORNL) Building Technologies Division to investigate the development of a new negative carbon multifamily property. KCDC is in the early stages of exploration.</li> <li>○ A partnership has been formed between KCDC, TVA PERI, and ORNL to bring solar panels to the 32-unit Liberty Place site opened in early 2025. This will be KCDC's first development to incorporate alternative energy sources.</li> <li>○ Western Heights (3-1): Renovation of 232 units is currently ongoing. Financed with 4% LIHTCs, Multifamily tax-exempt bonds and soft loans. Renovation is expected to be completed by early 2025.</li> </ul> </li> <li>• <b>Promote self-sufficiency and asset development of assisted households</b> by continuing partnering with supportive services, organizations, and groups to assist residents with training and employment while attracting additional supportive service to increase independence for the elderly and/or families with disabilities. KCDC has applied to implement the Jobs Plus Initiative for the Western Heights community to provide employment-related services, financial incentives (income disregard) and community supportive services for participants who are employed.</li> <li>• <b>Ensure equal opportunity and affirmatively further fair housing</b> by continued Fair Housing Policy training; continue affirmative measure to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, disability, sexual orientation, gender identity or marital status by participating and providing pertinent training for staff to include KCDC's Language Access Plan for Limited English Proficiency.</li> <li>• <b>Encouraging resident participation</b> with Knoxville's Community Development Corporation in maintaining their property through training, education and resident initiatives.</li> <li>• <b>Streamline all programs</b> (Section 8, LIPH, PBRA and LIHTC) to decrease dependency on HUD subsidy by increasing the usage of web-based portals for applicants and residents, decrease dependency upon paper and postage by utilizing technology resources, aligning policies and procedures across all programs where applicable, and analyze the implementation of centralized services for application processing and annual resident recertifications.</li> </ul>
<p><b>B.4</b></p>	<p><b>Violence Against Women Act (VAWA) Goals.</b> Provide a statement of the PHA's goals, activities, objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.</p> <p>KCDC's Tenant Selection Assignment Plan (TSAP), Section 8 Administrative Plans, and the Admissions and Continued Occupancy Policy for LIPH properties support the referral of victims of domestic violence to the Family Justice Center which houses several agencies that provide coordinated services to victims of domestic violence, dating violence, sexual assault or stalking. Staff collaborate and work with agencies as needed. KCDC, at the request of the victim and with proper documentation, transfers residents who are victims of domestic violence to other KCDC properties as well as assigning preferences for existing tenants and applicants.</p>
<p><b>C.</b></p>	<p><b>Other Document and/or Certification Requirements.</b></p>

<p><b>C.1</b></p>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p>Substantial deviations, significant amendments or modifications are defined as discretionary changes in the plans or policies of KCDC that fundamentally change the mission, goals, objectives or plans of KCDC, and which require formal approval of the KCDC Board of Commissioners. As noted in Section B.2 (New Activities) KCDC has completed the process of converting multiple locations within its portfolio from Low Income Public Housing to Project-Based Rental Assistance under RAD (a timeline of conversion activities have been included as an attachment to this Plan). The following items should be excluded from substantial deviations and/or significant amendments:</p> <ul style="list-style-type: none"> <li>• The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance.</li> <li>• The date the Significant Amendment is submitted to the PHA Plan website.</li> <li>• Change to the Capital Fund Budget produced because of each approved RAD Conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds.</li> <li>• Changes to the construction and rehabilitation plan for each approved RAD conversion; and</li> <li>• Changes to the financing structure for each approved RAD conversion.</li> </ul> <p>KCDC will adopt and incorporate all applicable PBRA Resident Rights and Participation requirements as noted, and outlined below, in PIH- 2012-32 (HA), REV-2 at all conversion properties. All plans and relocation activities, if applicable, will be performed in accordance with Joint Housing/PIH Notice H-2014-09/PIH-2014-17).</p> <ul style="list-style-type: none"> <li>• Right to return and Relocation Assistance</li> <li>• No rescreening of tenants upon conversion</li> <li>• Under-Occupied unit</li> <li>• Phase-in of tenant rent increase (5-year option)</li> <li>• FSS and ROSS-SC programs (if applicable)</li> <li>• Resident participation and funding</li> <li>• Termination notification</li> <li>• Grievance process</li> <li>• Earned Income Disregard</li> <li>• Jobs Plus</li> <li>• When TTP exceeds gross rent</li> <li>• Establishment of waiting list</li> <li>• Choice mobility</li> </ul> <p>In the event KCDC implements other housing programs (including, but not limited to, PBRA, PBV, LIHTC or RAD) any policies, procedures or lease agreements will be revised to align with respective HUD program guidelines.</p>
<p><b>C.2</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have comments to the 5-Year PHA Plan?</p> <p>Y   N  <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<p><b>C.3</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD-50077-SL</a>, <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><b>C.4</b></p>	<p><b>Required Submission for HUD FO Review.</b></p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y   N  <input type="checkbox"/>   <input checked="" type="checkbox"/></p> <p>(b) If yes, include Challenged Elements.</p>



**PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

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:					

**B. Plan Elements**

**B.1 Revision of Existing PHA Plan Elements.**

(a) Have the following PHA Plan elements been revised by the PHA?

- Y N
- Statement of Housing Needs and Strategy for Addressing Housing Needs
  - Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
  - 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 has 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 will be going through the Section 18 application process (demolition and/or disposition) of 196 existing units within the 3-4 section (a detailed listing of buildings and units are included as an attachment to this Plan) in CY2023/CY2024 to facilitate the start of 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 will be needed in CY2025 as part of the larger CNI redevelopment plan. As of 2025Q1, 64 units of the 196 total units have been demolished. As part of the CNI plan, all 196 units that are removed will be rebuilt across the various phases of the CNI over the next five years. The first phase of the CNI will be approximately 76 total units and will open in FY2025. That project is 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. The project 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. KCDC will continue infrastructure activities related to demolition in preparation of construction of new buildings and phases.

**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 Project-Based Rental Assistance or Project-Based Voucher properties, Veterans Housing, Workforce/Mixed Income 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 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 Workforce / 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.

**Demolition and/or Disposition**

Section 18 demolition of 196 units within Western Heights (3-4) began 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 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.

**Designated Housing for Elderly and/or Disabled Families**

Construction of fifty units included in Austin Phase III began in the third quarter of 2024 and will be part of the Section 202PRAC Program as mentioned in the "Expand the Supply of Affordable Housing" section below. Leasing activities are scheduled to begin late 2025 or early 2026.

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.

**Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers non-RAD conversion.**

•**Transfer of Assistance:** KCDC does not anticipate Transfer of Assistance will be necessary during this fiscal year.

•**Site Selection and Neighborhood Standards Review:** KCDC certifies that its sites comply with the Site Selection requirements set forth at 24 CFR 983.57, the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations 24 CFR 1.4(b)(3), Section 504 of the Rehabilitation Act of 1973 including implementing regulations at 24 CFR 8.4(b)(5), and the Americans with Disabilities Act. All appropriate procedures have been followed.

	<p>•<b>Voluntary Compliance Agreement, Consent Decree, etc.:</b> KCDC is not currently under any Voluntary Compliance Agreement, Consent Decree or Consent Order.</p> <p>•<b>Required HUD/PBRA Documents:</b> HUD-required PBRA documents have been provided as an attachment to this Plan and include HUD Multifamily Model Lease for Subsidized Programs form HUD-90105a, VAWA Lease Addendum form HUD-91067, Tenant Selection and Assignment Plans, House Rules and Grievance procedure. For all RAD/PBRA conversions, KCDC will implement a 5-year phase-in policy as per HUD Notice 2012-32 Revision 2. If a resident's monthly rent increases by the greater of 10% or \$25 purely because of conversion, these increases will be phased-in over a 5-year period.</p> <p>•<b>Choice Mobility Vouchers:</b> KCDC will offer Choice Mobility vouchers for residents at RAD/PBRA-covered properties the later of 24 months from the date of execution of the HAP contract or 24 months after move-in date. KCDC will provide up to one-third of its turnover vouchers to residents of RAD/PBRA properties requested within a one-year period and limits moves to no more than 15% of assisted units within each RAD/PBRA property.</p> <p>•<b>Project-Based Vouchers:</b> As of the time of the draft preparation for the comment/review period there are 635 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.</p> <p>•<b>Units with Approved Vacancies for Modernization:</b> KCDC reserves the right to request HUD modernization approval for vacancies related to Project-Based Rental Assistance conversion activities or in conjunction with Emergency Safety and Security Grants, as applicable.</p> <p>•The remaining 196 units of Public Housing within the KCDC portfolio will be converted to non-RAD conversion to project-based vouchers during the reconstruction.</p> <p><b>Project-Based Vouchers</b></p> <p>KCDC, as part of its plan to project base Section 8 vouchers on various projects owned by private for profit and non-profit developers, as well as KCDC owned projects, plans to utilize all available methods and options for selecting projects for Project-Based Vouchers as set forth in 24 CFR 983.51 including all alternative methods for selecting projects in addition to utilizing all waivers/options afforded to KCDC under the Moving to Work Program. KCDC, may in certain instances, project base Housing Choice Vouchers as well as specialty vouchers such as FYI and HUD VASH.</p>
B.3	<p><b>Progress Report.</b></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>
B.4	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p>
B.5	<p><b>Most Recent Fiscal Year Audit.</b></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>
C.	<p><b>Other Document and/or Certification Requirements.</b></p>
C.1	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N  <input type="checkbox"/> <input checked="" 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>
C.2	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <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>
C.3	<p><b>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</b></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>

<b>C.4</b>	<p><b>Challenged Elements.</b> 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 checked="" type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
<b>C.5</b>	<p><b>Troubled PHA.</b></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>

## **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
		<b>Bedroom Type</b>	<b># of Units Pre-Conversion</b>	<b># of Units Post-Conversion</b>	<b>Change in Units per Bedroom</b>		
		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
		<b>Bedroom Type</b>	<b># of Units Pre-Conversion</b>	<b># of Units Post-Conversion</b>	<b>Change in Units per Bedroom</b>		
		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		<b>Bedroom Type</b>	<b># of Units Pre-Conversion</b>	<b># of Units Post-Conversion</b>	<b>Change in Units per Bedroom</b>		
		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

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**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

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**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)<sup>1</sup> 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)** conversion<sup>2</sup> under the first component of the demonstration.<sup>3</sup> 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.<sup>4</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 residents<sup>5</sup> 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.<sup>6</sup> 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](mailto:rad@hud.gov).

## **3. Applicable Legal Authorities**

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<sup>5</sup> 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.

<sup>6</sup> 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](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"> <li>• Determine potential need for relocation</li> <li>• Meet with residents to discuss plans, communicate right to return, and solicit feedback</li> <li>• Provide <i>General Information Notice</i> (GIN) to residents</li> <li>• Survey residents to prepare Relocation Plan and relocation process cost estimate</li> </ul>
2. After receipt of the Commitment to Enter into a HAP Contract (CHAP) Award	<ul style="list-style-type: none"> <li>• Prepare Significant Amendment to PHA Plan</li> <li>• Assess and refine need for relocation</li> <li>• Develop a Relocation Plan (See Appendix 1 for recommended content)</li> <li>• Identify relocation housing options</li> </ul>
3. Preparing Financing Plan (due to RAD Transaction Manager no later than 180 days following	<ul style="list-style-type: none"> <li>• Budget for relocation expenses</li> <li>• Submit FHEO Accessibility &amp; Relocation checklist (PHAs may submit Relocation Plan along with checklist)</li> </ul>

Stage	Activities
CHAP award)	
4. Receipt of RAD Conversion Commitment (RCC)	<ul style="list-style-type: none"> <li>• 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))</li> <li>• Provide residents with appropriate notice informing them if they will be relocated and any associated relocation assistance</li> <li>• Meet with residents to describe approved conversion plans and discuss required relocation</li> </ul>
5. Closing/RAD conversion	<ul style="list-style-type: none"> <li>• Generally, resident relocation should not begin until after the date of closing/conversion of assistance under RAD</li> <li>• 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</li> <li>• PHAs seeking to move residents prior to closing must receive prior approval from HUD as described in Paragraph 9 of this Notice</li> </ul>

## 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.<sup>7</sup> 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

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<sup>7</sup> 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.<sup>8</sup> 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 amount<sup>9</sup>, 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.<sup>10</sup>

- 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.

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<sup>8</sup> 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.

<sup>9</sup> 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)

<sup>10</sup> 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.<sup>11</sup>

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.<sup>12</sup> 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).<sup>13</sup>
- 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))

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<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> 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.<sup>14</sup>

- 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**

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<sup>14</sup> 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)
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## **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).

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

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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**

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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.<sup>15</sup>
- 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](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

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<sup>15</sup> 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).<sup>16</sup>

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

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<sup>16</sup> 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](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](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](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](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](mailto:rad@hud.gov).

## Appendix 2: SAMPLE RAD GENERAL INFORMATION NOTICE (GIN)

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### 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)**

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***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)**

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***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)**

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***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. _____	_____/_____/_____ <b>Date Signed</b>
2. _____	_____/_____/_____ <b>Date Signed</b>
3. _____	_____/_____/_____ <b>Date Signed</b>
4. _____	_____/_____/_____ <b>Date Signed</b>

**LANDLORD BY:**

1. _____	_____/_____/_____ <b>Date Signed</b>
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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.

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**Tenant**


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**Date**


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**Landlord**


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**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](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.

## Explanatory Note to Public Reviewers of the Proposed Moving to Work Supplement Fillable Form

The Moving to Work (MTW) Supplement collects information about policies implemented by MTW expansion agencies. MTW agencies use it to communicate their plans with residents and community stakeholders through required public comment processes, and HUD uses the information collected to monitor and evaluate the MTW demonstration program. MTW agencies will submit the MTW Supplement to HUD annually, and amend as needed. HUD plans to make the MTW Supplement into a fillable form so as to reduce respondent burden and make the information collected more useful to HUD. When the MTW Supplement is available through the fillable form, it will include skip patterns<sup>1</sup> that prompt the user to populate only the sections relevant to what they are currently implementing. It will also include screening questions that will ask which waivers and associated activities they are currently implementing, plan to implement in the upcoming year, or will be discontinued in the submission year. The MTW Agency will be able to print the information from the MTW Supplement in a reader-friendly format in order to inform the public of its plans for the upcoming year. The purposes of the MTW Supplement are two-fold: it reports to HUD what is happening at the local level in a way that the Department can monitor and evaluate; and, more importantly, it informs the public about what the agency is planning and gives the public the ability to provide comment.

The MTW Supplement asks for information about each of the MTW Waivers and associated activities that are made possible by the MTW Operations Notice, Safe Harbor Waivers and Agency-Specific Waivers, and a few other types of information. MTW agencies will fill in information/data through a fillable form and the information collected will be stored in a database so that it can be analyzed by HUD. The approved forms will be posted to the MTW website for viewing by the public. For instance, it will be simple to find out how many MTW agencies and which MTW agencies are implementing each type of activity. It will also simplify reporting for the MTW agency since information will carry over year-to-year in the fillable form so that information that does not change from year to year will be pre-populated, thereby reducing respondent burden.

This document lists the sections of the MTW Supplement and then presents the proposed questions to be included in the MTW Supplement for MTW agencies to answer annually. Throughout the online version, there will be a dropdown menu option that makes it clear as to which activities an agency is permitted to do within the safe harbors of the MTW Operations Notice, Appendix I, MTW Waivers.

### Sections of the MTW Supplement:

- A. PHA Information
- B. Narrative
- C. MTW Waivers and Associated MTW Activities
- D. Safe Harbor Waivers
- E. Agency-Specific Waivers
- F. Public Housing Operating Subsidy Grant Reporting
- G. MTW Statutory Requirements
- H. Public Comments
- I. Evaluations
- J. MTW Certifications of Compliance

### Information to be Collected for MTW Activities

There are many MTW activities, subject to limitations as outlined in the MTW Operations Notice, that an MTW agency may implement. Each MTW agency will likely only engage in a subset of these MTW activities. The MTW Supplement will first ask MTW agencies to identify which MTW activities they are proposing to implement and which of those MTW activities they are already implementing. MTW agencies will subsequently be asked to provide information only about the MTW activities they are proposing to implement or are already implementing. This feature will reduce respondent burden. MTW waivers have associated MTW activities. MTW agencies are also able to combine MTW activities into their own initiatives.

MTW agencies will be asked for specific information about each MTW activity they are proposing to implement or are already implementing. There are six types of questions that could be asked about each MTW activity. The exact mix of questions will depend partly upon the MTW activity and partly upon the requirements for that MTW activity listed in the MTW Operations Notice. The six types of questions are:

- (1) Core—questions applicable to most MTW activities
- (2) Custom—questions specific to an individual MTW activity
- (3) Safe Harbor Waiver—questions asked when the MTW activity requires a Safe Harbor Waiver
- (4) Hardship Policy—questions asked when the MTW Operations Notice requires a hardship policy for the MTW activity
- (5) Impact Analysis—questions asked when the MTW Operations Notice requires an impact analysis for the MTW activity
- (6) Agency-Specific Waiver—questions asked when the MTW activity requires an Agency-Specific Waiver

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<sup>1</sup> A skip pattern is a question or series of questions associated with a conditional response.

## Questions

The questions are presented below by type, beginning with the core questions. In the final online version of the MTW Supplement, the relevant questions from each type will be asked together in relation to each MTW activity the MTW agency is proposing to implement or is already implementing. The final online version of the MTW Supplement will be set up to allow for different versions of the same MTW activity—for instance, a different minimum rent for the non-elderly/non-disabled than for the elderly/disabled. The final online version of the MTW Supplement will also be able to autofill items with information from previous years. This feature will reduce respondent burden.

Table 1, at the end of this document, lists the MTW activities and indicates which types of questions need to be asked about each one.

<b>MTW Supplement to the Annual PHA Plan</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires: 03/31/2024</b>
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**Purpose.** The Moving to Work (MTW) Supplement to the Annual PHA Plan informs HUD, families served by the PHA, and members of the public, about the MTW Waivers and associated activities that the MTW agency seeks to implement in the coming Fiscal Year and updates the status of MTW activities that have been previously approved. It also provides information about Safe Harbor Waivers, Agency-Specific Waivers, compliance with MTW statutory requirements, and evaluations. The MTW Supplement does not replace the PHA Plan. MTW agencies must continue to submit the applicable PHA Plan. MTW agencies that are not required to submit annual PHA Plans under the Housing and Economic Recovery Act of 2008 (HERA) must submit the MTW Supplement annually, in addition to holding public hearings, obtaining board approval, and consulting with Resident Advisory Boards (RABs) and tenant associations, as applicable, on planned MTW activities.

**Applicability.** Form HUD-50075-MTW is to be completed annually by all MTW agencies brought onto the MTW Demonstration Program pursuant to Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute) or legacy MTW agencies<sup>2</sup> that chose to follow the requirements of the MTW Operations Notice.

**Definitions.** All terms used in this MTW Supplement are consistent with the definitions stated in the MTW Operations Notice, including:

- (1) **Local, Non-Traditional Activities (LNT)** – Those MTW activities that use MTW funding flexibility outside of the Housing Choice Voucher (HCV) and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937.
- (2) **Safe Harbors** – The additional parameters or requirements, beyond those specified in the MTW activity description itself found in the MTW Operations Notice, following each activity description, that the MTW agency must follow in implementing MTW activities.
- (3) **Substantially the Same Requirement** – A statutory MTW requirement that MTW agencies must continue to assist substantially the same total number of eligible low-income families as would have been served absent the MTW demonstration.

<b>A.</b>	<b>PHA Information.</b>
<b>A.1</b>	<b>PHA Name:</b> _____ <b>PHA Code:</b> _____ <b>MTW Supplement for PHA Fiscal Year Beginning:</b> (MM/DD/YYYY): _____ <b>PHA Program Type:</b> <input type="checkbox"/> Public Housing (PH) only <input type="checkbox"/> Housing Choice Voucher (HCV) only <input type="checkbox"/> Combined <b>MTW Cohort Number:</b> _____ <b>MTW Supplement Submission Type:</b> <input type="checkbox"/> Annual Submission <input type="checkbox"/> Amended Annual Submission
<b>B.</b>	<b>Narrative.</b>
<b>B.1</b>	<b>MTW Supplement Narrative.</b>  The narrative provides the MTW agency with an opportunity to explain to the public, including the families that it serves, its MTW plans for the fiscal year and its short and long-term goals.  The MTW agency should provide a description of how it seeks to further the three MTW statutory objectives during the coming Fiscal Year. Those three MTW statutory objectives are: (1) to reduce cost and achieve greater cost effectiveness in federal expenditures; (2) to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (3) to increase housing choices for low-income families.

<sup>2</sup> Legacy MTW Agencies are agencies that were designated as MTW as of December 15, 2015

<b>C.</b>	<b>MTW Waivers and Associated Activities.</b>
	<b>NOTE: MTW agencies are reminded that all MTW Waivers and associated activities must be implemented in accordance with the MTW Operations Notice and within its safe harbors unless a Safe Harbor or Agency-Specific Waiver approval is provided by HUD, in which case, the activity utilizing the Safe Harbor or Agency-Specific Waiver must be implemented in accordance with the terms of the approval.</b>
<b>Screener</b>	<p>For all MTW Waivers and Activities in Section C, the screening question listed below will be presented in the fillable form. This will allow the form to only display those waivers that input where is required.</p> <p>Each waiver and activity will be listed with the following choices. If “Not Currently Implemented” is selected, the agency will not be shown any further questions for the activity.</p> <ul style="list-style-type: none"> <li>• Currently Implementing</li> <li>• Plan to Implement in the Submission Year</li> <li>• Will be Discontinued in the Submission Year</li> <li>• Was Discontinued in a previous Submission Year</li> <li>• Not Currently Implemented</li> </ul>
<b>Core Questions</b>	The following core questions apply to all of the MTW Waivers and associated activities listed in the MTW Operations Notice. The core questions collect basic information about any MTW activity proposed or implemented by MTW agencies.

Text	Input options and instructions
<b>Narrative.</b> Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	Text box [Note: If an MTW agency has the same MTW activity in both its public housing and HCV programs, it receives instructions to just write one narrative explaining that it covers both programs.]
<b>MTW Statutory Objectives.</b> Which of the MTW statutory objectives does this MTW activity serve?	(Check at least one) <input type="checkbox"/> Cost effectiveness <input type="checkbox"/> Self-sufficiency <input type="checkbox"/> Housing choice
<b>Cost implications.</b> What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	(Check at least one) <input type="checkbox"/> Neutral (no cost implications) <input type="checkbox"/> Increased revenue <input type="checkbox"/> Decreased revenue <input type="checkbox"/> Increased expenditures <input type="checkbox"/> Decreased expenditures
<b>Different policy by household status/family types/sites?</b> Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	<input type="checkbox"/> The MTW activity applies to all assisted households <input type="checkbox"/> The MTW activity applies only to a subset or subsets of assisted households  <i>If the agency selects “The MTW activity applies only to a subset or subsets of assisted households” then the agency will receive the following three questions:</i>
<b>Household Status.</b> Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	(Check one) <input type="checkbox"/> New admissions (i.e., applicants) only <input type="checkbox"/> Currently assisted households only <input type="checkbox"/> New admissions and currently assisted households

Text	Input options and instructions
<p><b>Family Types.</b> Does the MTW activity apply to all family types or only to selected family types?</p>	<p><input type="checkbox"/> The MTW activity applies to all family types  <input type="checkbox"/> The MTW activity applies only to selected family types  <i>If the agency selects “The MTW activity applies to all family types” it does not get any further questions about family types. If the agency selects “The MTW activity applies only to selected family types” it is presented the following question and options:</i></p> <p>Please select the family types subject to this MTW activity:  <input type="checkbox"/> Non-elderly, non-disabled families  <input type="checkbox"/> Elderly families  <input type="checkbox"/> Disabled families (to the extent those families are not exempt via a reasonable accommodation)  <input type="checkbox"/> Other – another specifically defined target population or populations. Please describe this target population in the text box. [Text box]</p>
<p><b>Location.</b> Depending on if responses are being provided for a public housing (PH) or HCV activity, the agency will either see questions applicable to PH or HCV.</p> <p><b>For PH activities:</b> Does the MTW activity apply to all public housing developments?</p> <p><b>For HCV activities:</b> Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</p>	<p><b>For PH activities:</b>  <input type="checkbox"/> The MTW activity applies to all developments  <input type="checkbox"/> The MTW activity applies to specific developments  <i>If the agency selects “The MTW activity applies to specific developments” then it is presented the follow up question:</i></p> <p>Which developments participate in the MTW activity? [agencies choose the applicable development number(s) from a list of their public housing developments]</p> <p><b>For HCV activities:</b>  <input type="checkbox"/> The MTW activity applies to all tenant-based units  <input type="checkbox"/> The MTW activity applies to all properties with project-based vouchers  <input type="checkbox"/> The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers  <i>If the agency selects “The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers” then it is presented the follow up question:</i></p> <p>Please describe which tenant-based units and/or properties with project-based vouchers participate in the MTW activity. [Text box]</p>
<p>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</p>	<p>Yes/No [If Yes]:            What is the status of the Safe Harbor Waiver request?  <input type="checkbox"/> The waiver request is being submitted for review with this submission of the MTW Supplement (see Section D).  <input type="checkbox"/> The waiver was previously approved. [If checked]: Please describe the extent to which the Safe Harbor Waiver is supporting the MTW agency’s goal in implementing this MTW activity. [Text box]</p>
<p>Does this MTW activity require a hardship policy?</p>	<p>Yes/No/Already provided            [If Yes]: Upload Hardship Policy            [If No, skip below Hardship Policy questions]            [If Already provided, the agency has already provided the Hardship Policy under another activity and indicated that the policy is also applicable to this activity.]</p>
<p>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</p>	<p>Yes/No            [If yes, a list will be presented to select the applicable MTW activities]</p>

Text	Input options and instructions
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	Yes/No [If Yes, then a further question pops up.]: What considerations led the MTW agency to modify the hardship policy? [Text box]
How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	<input type="text"/> [Numerical entry only] [if number > 0, further questions pop up]: <input type="text"/> How many hardship requests were approved? [Numerical entry only] <input type="text"/> How many hardship requests were denied? [Numerical entry only] <input type="text"/> How many are pending? [numerical entry only]
Does the MTW activity require an impact analysis?	Yes/No/Already provided [If Yes]: Upload Impact Analysis [If No, skip the below Impact Analysis questions] [If Already provided, the agency has already provided the impact analysis under another activity and indicated that the policy is also applicable to this activity.]
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	Yes/No [If yes, a list will be presented to select the applicable MTW activities]
Based on the Fiscal Year goals listed in the activity’s previous Fiscal Year’s narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	[Will only apply if “Will be Discontinued in the Submission Year” or “Was Discontinued in a previous Submission Year” is selected in the screener.] [Text box]

<b>Custom Questions</b>	Custom questions are tailored to each MTW activity. In what follows, the MTW activities are listed with their custom questions. The final online version of the MTW Supplement will be set up so that if an MTW activity is the same in the HCV and/or public housing programs, the MTW agency fills in the information for public housing, then the information is auto populated for the HCV program. MTW agencies are asked to fill in answers only to questions that are relevant to the MTW activities they propose to implement or are already implementing.
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<b>C.1</b>	<b>Tenant Rent Policies</b>
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1.a., 1.b. - Tiered Rent (PH & HCV)	Input options and instructions
Please describe how the income bands are structured.	[Text box]
Please upload the tiered rent policy table that shows the income bands.	[Upload document]
What is the income basis for assigning households to income bands?	<input type="checkbox"/> This activity uses adjusted annual income as defined in 24 CFR 5.611 (as required for non-MTW PHAs) <input type="checkbox"/> This activity uses a different definition of income because we are using the following MTW waivers (check all that apply) <input type="checkbox"/> 1.r. and/or 1.s. “elimination of deductions” <input type="checkbox"/> 1.t. and/or 1.u. “standard deductions” <input type="checkbox"/> 1.v. and/or 1.w “alternative inclusions and exclusions”

1.c., 1.d. - Stepped Rent (PH & HCV)	Input options and instructions
Describe how the stepped rent is structured, including the following: how each household’s rent will be set in the first year; how frequently rents will change and by what amount; and how the stepped rent will end (i.e., what is the maximum rent). Please	Description [Text box] Stepped rent schedule [Upload document]

<b>1.c., 1.d. - Stepped Rent (PH &amp; HCV)</b>		<b>Input options and instructions</b>
upload a document that presents the stepped rent schedule in the form of a table.		
If a household progresses all the way through the stepped rent schedule, what will their status be?		<input type="checkbox"/> They will no longer receive a subsidy <input type="checkbox"/> They will continue to receive a shallow subsidy <input type="checkbox"/> Other\Not Applicable. [If checked]: Please explain [Text box]
<b>1.e., 1.f. - Minimum Rent (PH &amp; HCV)</b>		<b>Input options and instructions</b>
How much is the minimum rent or minimum Total Tenant Payment (TTP)?		\$ _____ [Note: If the MTW agency indicates they have a minimum rent that applies only to particular subgroups, as determined by responses to core questions, the question gets asked for each subgroup.]
<b>1.g., 1.h. - Tenant Payment as a Modified Percentage of Income (PH &amp; HCV)</b>		<b>Input options and instructions</b>
What percentage of income will equal the Total Tenant Payment (TTP)?		_____ %
What is the income basis for calculating Total Tenant Payment?		<input type="checkbox"/> This activity uses adjusted annual income as defined in 24 CFR 5.611 (as required for non-MTW PHAs) <input type="checkbox"/> This activity uses a different definition of income because we are using the following MTW waivers (check all that apply) <input type="checkbox"/> 1.r. and/or 1.s. "elimination of deductions" <input type="checkbox"/> 1.t. and/or 1.u. "standard deductions" <input type="checkbox"/> 1.v. and/or 1.w "alternative inclusions and exclusions"
<b>1.i., 1.j. - Alternative Utility Allowance (PH &amp; HCV)</b>		<b>Input options and instructions</b>
Please describe the alternative method of calculating the utility allowances. Please explain how the method of calculating utility allowances is different from the standard method and what objective the MTW agency aims to achieve by using this alternative method.		[Text box]
<b>1.k., 1.l. - Fixed Rents/Subsidy (PH &amp; HCV)</b>		<b>Input options and instructions</b>
Describe the method used to establish the fixed rents.		[Text box]
How many households are currently subject to this policy?		[Text box]

**Table 1.k.1, 1.l.1 - What is the fixed rent/subsidy for each of the following unit sizes?**

Unit Size	Rent Amount – PH	Subsidy Amount – HCV
Studio/Efficiency	\$	\$
One-bedroom	\$	\$
Two-bedroom	\$	\$
Three-bedroom	\$	\$
Four or more bedrooms	\$	\$

<b>1.m., 1.n. - Utility Reimbursements (PH &amp; HCV)</b>		[No custom questions for this activity.]
<b>1.o. - Initial Rent Burden (HCV)</b>		<b>Input options and instructions</b>
If the MTW agency plans to implement a new maximum income-based rent percentage (higher than 40% of adjusted monthly income), what is that maximum?		_____ %
<b>1.p., 1.q. - Imputed Income (PH &amp; HCV)</b>		<b>Input options and instructions</b>
Does the imputed income policy assume a set number of hours worked per individual or per household?		(Check one) ___ Per individual ___ Per household
How many hours per week are assumed?		[Number entries between 0 and 15 or 0 and 30, as appropriate, allowed]
What is the assumed wage rate?		[Must be a number less than or equal to the federal minimum wage]

<b>1.p., 1.q. - Imputed Income (PH &amp; HCV)</b>	<b>Input options and instructions</b>
How many households are currently subject to this policy?	_____ [number]
<b>1.r., 1.s. - Elimination of Deduction(s) (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Which deduction(s) will be eliminated, modified, or added?	(Check all that apply) <input type="checkbox"/> Dependent allowance <input type="checkbox"/> Unreimbursed childcare costs <input type="checkbox"/> Other (please explain)
<b>1.t., 1.u. - Standard Deductions (PH &amp; HCV)</b>	<b>Input options and instructions</b>
How much will the single standard deduction be in the Fiscal Year?	\$ _____
<b>1.v., 1.w. - Alternative Income Inclusions/Exclusions (PH &amp; HCV)</b>	<b>Input options and instructions</b>
What inclusions or exclusions will be eliminated, modified, or added?	[Text Box]

<b>C.2</b>	<b>Payment Standards and Rent Reasonableness</b>
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<b>2.a. - Payment Standards – Small Area Fair Market Rents (FMR) (HCV)</b>	<b>Input options and instructions</b>
Please explain the payment standards by ZIP code or “grouped” ZIP codes.	See attachment for detailed answers and information.
<b>2.b. - Payment Standards – Fair Market Rents (HCV)</b>	<b>Input options and instructions</b>
Please explain the payment standards by FMR.	See attachment for detailed answers and information.
<b>2.c. - Rent Reasonableness – Process (HCV)</b>	
Describe the method used to determine rent reasonableness and the motivations for using a method different from the standard method.	[Text box]
<b>2.d. - Rent Reasonableness – Third-Party Requirement (HCV)</b>	<b>Input options and instructions</b>
Please explain or upload a description of the quality assurance method.	[Text box] and [Upload file] options
Please explain or upload a description of the rent reasonableness determination method.	[Text box] and [Upload file] options

<b>C.3</b>	<b>Reexaminations</b>
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<b>3.a., 3.b. - Alternative Reexamination Schedule for Households (PH &amp; HCV)</b>	<b>Input options and instructions</b>
What is the recertification schedule?	(Check one) <input type="checkbox"/> Once every two years <input type="checkbox"/> Once every three years <input type="checkbox"/> Other [If checked]: Please describe. [Text box]
How many interim recertifications per year may a household request?	____ 0 ____ 1 ____ 2 or more
Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.	[Text box]
<b>3.c., 3.d. - Self-Certification of Assets (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Please state the dollar threshold for the self-certification of assets.	\$ _____

<b>C.4</b>	<b>Landlord Leasing Incentives</b>
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<b>4.a., 4.b., 4.c. - Vacancy Loss, Damage Claims, and Other Landlord Incentives (HCV)</b>	<b>Input options and instructions</b> (The same custom questions are asked for each of these activities.)
Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program)?	<input type="checkbox"/> To all units [No follow-up questions] <input type="checkbox"/> Certain types of units only [if checked, there are follow up questions]: What types of units does this policy apply to? <input type="checkbox"/> Accessible units <input type="checkbox"/> Units in particular types of areas or neighborhoods [if checked]: Please describe these areas briefly: [Text box] <input type="checkbox"/> Units/landlords new to the HCV program <input type="checkbox"/> Other [if checked]: Please describe briefly [Text box]
What is the maximum payment that can be made to a landlord under this policy?	See attachment for detailed answers and information.
How many payments were issued under this policy in the most recently completed PHA fiscal year?	___ [number of payments]
What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?	\$ _____

<b>C.5</b>	<b>Housing Quality Standards (HQS)</b>
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<b>5.a. - Pre-Qualifying Unit Inspections (HCV)</b>	<b>Input options and instructions</b>
How long is the pre-inspection valid for?	___ [number of days]
<b>5.b. - Reasonable Penalty Payments for Landlords (HCV)</b>	<b>Input options and instructions</b>
What is the maximum penalty payment that can be made to a landlord under this policy?	[Text box]
How many penalty payments were charged under this policy in the most recently completed PHA fiscal year?	___ [number]
<b>5.c. - Third-Party Requirement (HCV)</b>	<b>Input options and instructions</b>
Please explain or upload a description of the quality assurance method.	[Text box] and [Upload file] options
<b>5.d. - Alternative Inspection Schedule (HCV)</b>	See attachment for detailed answers and information.

<b>C.6</b>	<b>Short-Term Assistance</b>
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<b>6.a., 6.b. - Short-Term Assistance (PH &amp; HCV)</b>	<b>Input options and instructions</b>
What is the term of assistance?	___ [number of months]
How is the tenant contribution established for this program?	[Text box]
How many households do you expect to serve in this program in the Fiscal Year?	___ [Numerical entry only allowed]
How do you fulfill the obligation to offer participants in this program the opportunity to transition to the HCV or public housing (as applicable) program subject to availability?	[Text box]
Please list any partner organizations and briefly note the services that each provides.	[Text box]

<b>C.7</b>	<b>Term-Limited Assistance</b>
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<b>7.a., 7.b. - Term-Limited Assistance (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Does the term-limited assistance MTW activity exempt any type of household or individual other than the elderly or individuals with disabilities	Yes/No [If Yes]: Please describe the conditions for exemption. [text box]
Please describe how the MTW agency supports households to prepare for the end of assistance.	[Text box]
How many households are currently subject to this policy?	_____ [number]

<b>C.8</b>	<b>Increase Elderly Age</b>
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<b>8. - Increase Elderly Age (PH &amp; HCV)</b>	<b>Input options and instructions</b>
What is the new definition of elderly?	___ years old [Numerical entry allowed between 62 - 65]

<b>C.9</b>	<b>Project-Based Voucher Program Flexibilities (PBV)</b>
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<b>9.a. - Increase PBV Program Cap (HCV)</b>	<b>Input options and instructions</b>
What percentage of total authorized HCV units will be authorized for project-basing?	_____ %

<b>9.b. - Increase PBV Project Cap (HCV)</b>	See attachment for detailed answers and information.
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<b>9.c. - Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement (HCV)</b>	See attachment for detailed answers and information.
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<b>9.d. - Alternative PBV Selection Process (HCV)</b>	[No custom questions for this activity.]
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<b>9.e. - Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)</b>	<b>Input options and instructions</b>
How many shared housing units does the MTW agency anticipate assisting in the Fiscal Year?	___ Units
How many shared housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?	___ Units
How many manufactured housing units does the MTW agency anticipate assisting in the Fiscal Year?	___ Units
How many manufactured housing units did the MTW agency assist in the most recently completed PHA Fiscal Year?	___ Units

<b>9.f. - Increase PBV Housing Assistance Payment (HAP) Contract Length (HCV)</b>	[No custom questions for this activity.]
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<b>9.g. - Increase PBV Rent to Owner (HCV)</b>	[No custom questions for this activity.]
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<b>9.h. - Limit Portability for PBV Units (HCV)</b>	See attachment for detailed answers and information.
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<b>C.10</b>	<b>Family Self-Sufficiency Program with MTW Flexibility (Traditional)</b>
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<b>10.a. - Waive Operating a Required FSS Program (PH &amp; HCV)</b>	[No custom questions for this activity.]
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<b>10.b. - Alternative Structure for Establishing Program Coordinating Committee (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Please describe the alternative structure and how it is designed to secure local resources to support an MTW Self-Sufficiency program.	[Text box]

<b>10.c. - Alternative Family Selection Procedures (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Please describe the purpose and goals of the alternative contract or locally developed agreement, and/or the MTW agency’s motivation for developing its own contract or agreement.	[Text box]

<b>10.d. - Modify or Eliminate the Contract of Participation (PH &amp; HCV)</b>	[No custom questions for this activity.]
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<b>10.e. - Policies for Addressing Increases in Family Income (PH &amp; HCV)</b>	<b>Input options and instructions</b>
How will the MTW agency treat increased earnings for families participating in the FSS Program with MTW flexibility?	[Text box]

<b>C.11</b>	<b>MTW Self-Sufficiency Program</b>
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<b>11.a. - Alternative Family Selection Procedures (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Will the MTW agency’s MTW Self-Sufficiency policy make the program mandatory for anyone?	Yes/No [If Yes]: Please describe the population group for whom participation in the MTW Self-Sufficiency program is mandatory. [Text box]

<b>11.b. - Policies for Addressing Increases in Family Income (PH &amp; HCV)</b>	<b>Input options and instructions</b>
What is the policy for the increased earnings for families participating in the MTW Self-Sufficiency program?	[Text box]

<b>C.12</b>	<b>Work Requirement</b>
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<b>12.a., 12.b. – Work Requirement (PH &amp; HCV)</b>	<b>Input options and instructions</b>
Does the work requirement MTW activity exempt any type of household or individual other than those required to be excluded through the MTW Operations Notice or those excluded as a reasonable accommodation?	Yes/No [If Yes]: Please describe the conditions for exemption. [Text box]
What counts as “work” under this the work requirement MTW activity?	[Text box]
How will the MTW agency monitor compliance with the work requirement MTW activity?	[Text box]
What supportive services are offered to support households to comply with the work requirement?	[Text box]
How does the agency address noncompliance with the work requirement policy?	[Text box]
How many households are currently subject to the policy?	_____ [number]
How many households in the most recently completed PHA fiscal year were sanctioned for non-compliance with the work requirement?	_____ [number]

<b>C.13</b>	<b>Public Housing as an Incentive for Economic Progress</b>
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<b>13. - Public Housing as an Incentive for Economic Progress (PH)</b>	<b>Input options and instructions</b>
How many months will households be able to remain in a unit while over income?	_____ [number]

<b>C.14</b>	<b>Moving On Policy</b>
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<b>14.a. - Waive Initial HQS Inspection Requirement (HCV)</b>	[No custom questions for this activity.]
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<b>14.b. - Allow Income Calculations from Partner Agencies (PH and HCV)</b>	[No custom questions for this activity.]
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<b>14.c. - Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH &amp; HCV)</b>	[No custom questions for this activity.]
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<b>C.15</b>	<b>Acquisition without Prior HUD Approval</b>
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<b>15. - Acquisition without Prior HUD Approval (PH)</b>	[No custom questions for this activity.]
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<b>C.16</b>	<b>Deconcentration of Poverty in Public Housing Policy</b>
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<b>16. - Deconcentration of Poverty in Public Housing (PH)</b>	[No custom questions for this activity.]
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<b>C.17</b>	<b>Local, Non-Traditional (LNT) Activities</b>
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<b>17.a. - Rental Subsidy Programs</b>	<b>Input options and instructions</b>
Does the MTW activity apply to all LNT units/properties?	<input type="checkbox"/> The MTW activity applies to all units/properties <input type="checkbox"/> The MTW activity applies to specific units/properties <i>If the agency selects "The MTW activity applies to specific LNT units/properties" then it is presented the follow up question:</i>  Describe which LNT units/properties participate in the MTW activity? [Text box]

**Table 17.a.1 - For each third-party partner, please complete the information in the following table.**

Third-party Partner	Type of Services the Partner Provides	# of Units Allocated to that Partner for the Fiscal Year

<b>17.b. - Service Provision</b>	<b>Input options and instructions</b>
What types of services is the MTW agency providing?	[Text box]
How many households did the PHA provide services to in the most recently completed PHA Fiscal Year through this activity?	_____ [number]

17.b. - Service Provision	Input options and instructions
Does the MTW activity apply to all LNT units/properties?	<input type="checkbox"/> The MTW activity applies to all units/properties <input type="checkbox"/> The MTW activity applies to specific units/properties <i>If the agency selects "The MTW activity applies to specific LNT units/properties" then it is presented the follow up question:</i>  Describe which LNT units/properties participate in the MTW activity? [Text box]
Are any families receiving services only (i.e., services only and no housing assistance provided by the PHA)?	Yes/No [If yes, answer question below.] <input type="checkbox"/> # of persons receiving LNT services only in the most recently completed PHA fiscal year.

**17.c. - Housing Development Programs**

For each LNT housing development that the MTW agency will commit funds to or spend funds on in this Fiscal Year, in Table 17.c.1 below please add the name of the development to one column heading and then provide the requested information, including the MTW agency role (Acquisition, Rehabilitation, or New Construction), the type of MTW agency financing (Gap Financing, Tax Credit Partnership, Other), and the total number of affordable units in the development. If possible, please provide a breakdown of the number of affordable units by level of affordability.

**Table 17.c.1 - Housing Development Programs that the MTW Agency plans to commit Funds to in Fiscal Year 25**

Question	Development A	Development B	Development C	[add name of development and address]
MTW Role: Acquisition, Rehabilitation, New Construction?				
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other				
Number of Affordable Units				
Total Number of Units				
Number of Units by Affordability				
<ul style="list-style-type: none"> <li>• 80% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>• 60% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>• 30% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>• Other</li> </ul>				

**Housing Development Programs that the MTW Agency plans to spend funds on in the Fiscal Year 25**

Question	Western Heights Phase 1	Western Heights Phase 2	[add name of development and address]	[add name of development and address]
MTW Role: Acquisition, Rehabilitation, New Construction?				
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other				
Number of Affordable Units				
Total Number of Units				
Number of Units by Affordability				
<ul style="list-style-type: none"> <li>80% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>60% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>30% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>Other</li> </ul>				

For each LNT housing development that the MTW agency committed funds to or spent funds on in the most recently completed Fiscal Year, please add the name of the development to one column in Table 17.c.2 below heading and then provide the requested information, including the MTW agency role (Acquisition, Rehabilitation, or New Construction), the type of MTW agency financing (Gap Financing, Tax Credit Partnership, Other), and the total number of affordable units in the development. If possible, please provide a breakdown of the number of affordable units by level of affordability.

**Table 17.c.2 - Housing Development Programs that the MTW Agency committed funds to in prior Fiscal Year [autofill previous year]**

Question	[add name of development and address]			
MTW Role: Acquisition, Rehabilitation, New Construction?				
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other				
Number of Affordable Units				
Total Number of Units				
Number of Units by Affordability				
<ul style="list-style-type: none"> <li>80% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>60% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>30% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>Other</li> </ul>				

**Housing Development Programs that the MTW Agency spent funds on in prior Fiscal Year [autofill previous year]**

Question	[add name of development and address]			
MTW Role: Acquisition, Rehabilitation, New Construction?				
Type of MTW Agency Financing: Gap Financing, Tax Credit Partnership, Other				
Number of Affordable Units				
Total Number of Units				
Number of Units by Affordability				
<ul style="list-style-type: none"> <li>80% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>60% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>30% of AMI</li> </ul>				
<ul style="list-style-type: none"> <li>Other</li> </ul>				

<b>D.</b>	<b>Safe Harbor Waivers.</b>
<b>D.1</b>	<p><b>Safe Harbor Waivers seeking HUD Approval:</b> The MTW Operations Notice describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I. For each Safe Harbor Waiver request, a document that includes the following information must be provided: (a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor, (b) the specific safe harbor and its implementing regulation, (c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver, (d) a description of the local issue and why such an expansion is needed to implement the MTW activity, (e) an impact analysis, (f) a description of the hardship policy for the MTW activity, if applicable, and (g) a copy of all comments received at the public hearing along with the MTW agency’s description of how the comments were considered, as a required attachment to the MTW Supplement.</p> <p>Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes [If yes, upload required information in a-g above for each Safe Harbor Waiver request]</p>
<b>E.</b>	<b>Agency-Specific Waivers.</b>
<b>E.1</b>	<p><b>Agency-Specific Waivers for HUD Approval:</b> The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, or waive a statutory and/or regulatory requirement not included in Appendix I.</p> <p>In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable), and respond to all of the mandatory core questions as applicable.</p> <p>For each Agency-Specific Waiver(s) request, please upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative, f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments</p>

received at the public hearing along with the MTW agency’s description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?

No [If no, skip to E.2]  
 Yes [If yes, please provide a title and upload required information in a-h above for each Agency-Specific Waiver request]

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**E.2 Agency-Specific Waiver(s) for which HUD Approval has been Received:**  
 For each previously approved Agency-Specific Waiver(s), a set of questions will populate.

Does the MTW agency have any approved Agency-Specific Waivers?

Yes [If yes, then the following questions will pop up for each Agency-Specific Waiver approved in Section E.1 in a previous submission; the titles will be prepopulated]  
 [Yes/No/Discontinued] Has there been a change in how the waiver is being implemented from when it was originally approved?  
 [If Yes]: If there has been a change, please provide a description of what has changed.  
 [If Discontinued]: 1) If this waiver has been discontinued, please provide a description of the final outcomes and lessons learned from implementing this Activity at your PHA. 2) If the MTW Agency was previously required to prepare an impact analysis, was a final impact analysis prepared at the time of discontinuation.

No [If no, question set concludes]

**F. Public Housing Operating Subsidy Grant Reporting.**

**F.1** Please provide the public housing Operating Subsidy grant information in the table below for Operating Subsidy grants appropriated in each Federal Fiscal Year the PHA is designated an MTW PHA.

Federal Fiscal Year (FFY)	Total Operating Subsidy Authorized Amount	How Much PHA Disbursed by the 9/30 Reporting Period	Remaining Not Yet Disbursed	Deadline
2021	\$	\$	\$	9/30/2029
2022	\$	\$	\$	9/30/2030
2023	\$	\$	\$	9/30/2031

**G. MTW Statutory Requirements.**

**G.1 75% Very Low Income – Local, Non-Traditional.**

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW agency are very low-income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA must provide data for the actual families housed upon admission during the PHA’s most recently completed Fiscal Year for its Local, Non-Traditional program households.

Income Level	Number of Local, Non-Traditional Households Admitted in the Fiscal Year*
80%-50% Area Median Income	#
49%-30% Area Median Income	#
Below 30% Area Median Income	#
<b>Total Local, Non-Traditional Households</b>	#

\*Local, non-traditional income data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

<b>G.2</b>	<b>Establishing Reasonable Rent Policy.</b>
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Question	Input options and instructions
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?	Yes/No [If Yes]: please describe the MTW agency’s plans for its future rent reform activity and the implementation timeline. [Text box]

<b>G.3</b>	<b>Substantially the Same (STS) – Local, Non-Traditional.</b>
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Questions	Input options and instructions
Please provide the total number of unit months that families were housed in a local, non-traditional rental subsidy for the prior full calendar year.	___ # of unit months
Please provide the total number of unit months that families were housed in a local, non-traditional housing development program for the prior full calendar year.	___ # of unit months
How many units, developed under the local, non-traditional housing development activity, were available for occupancy during the prior full calendar year (by bedroom size)?	Please include only those units that serve households <b>at or below 80% of AMI</b> in the table provided.

PROPERTY NAME/ADDRESS	0/1 BR	2 BR	3 BR	4 BR	5 BR	6+ BR	TOTAL UNITS	POPULATION TYPE*	# of Section 504 Accessible (Mobility)**	# of Section 504 Accessible (Hearing/Vision)	Was this Property Made Available for Initial Occupancy during the Prior Full Calendar Year?	What was the Total Amount of MTW Funds Invested into the Property?
Name/Address	#	#	#	#	#	#	#	Type (below)	#	#	Y/N	\$
Name/Address	#	#	#	#	#	#	#	Type (below)	#	#	Y/N	\$
Name/Address	#	#	#	#	#	#	#	Type (below)	#	#	Y/N	\$
<b>Totals</b>	#	#	#	#	#	#	#		#	#		

\* User will select one of the following from the “Population Type” dropdown box: General, Elderly, Disabled, Elderly/Disabled, Other

If the “Population Type” of is Other is selected, please state the Property Name/Address and describe the population type. [Text box]

\*\* The federal accessibility standard under HUD’s Section 504 regulation is the Uniform Federal Accessibility Standards (UFAS) for purposes of Section 504 compliance. HUD recipients may alternatively use the 2010 ADA Standards for Accessible Design under Title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”) for purposes of Section 504 compliance, <https://www.govinfo.gov/content/pkg/FR-2014-05-23/pdf/2014-11844.pdf>. This would also include adaptable units as defined by HUD’s Section 504 regulation (See 24 CFR § 8.3 and § 8.22).

<b>G.4</b>	<b>Comparable Mix (by Family Size) – Local, Non-Traditional.</b>
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In order to demonstrate that the MTW statutory requirement of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the MTW agency will provide information for its most recently completed Fiscal Year in the following table.

Local, non-traditional family size data must be provided in the MTW Supplement form until such time that it can be submitted in IMS-PIC or other HUD system.

Family Size:	Occupied Number of Local, Non-Traditional units by Household Size
<b>1 Person</b>	#
<b>2 Person</b>	#
<b>3 Person</b>	#
<b>4 Person</b>	#
<b>5 Person</b>	#
<b>6+ Person</b>	#
<b>Totals</b>	#

<b>G.5</b>	<b>Housing Quality Standards.</b>
	Certification is included in MTW Certifications of Compliance for HCV and local, non-traditional program. The public housing program is monitored through physical inspections performed by the Real Estate Assessment Center (REAC).

<b>H.</b>	<b>Public Comments.</b>
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H.1	Input options and instructions
Please provide copy of all comments received by the public, Resident Advisory Board, and tenant associations.	Upload Attachment
Please attach a narrative describing the MTW agency’s analysis of the comments and any decisions made based on these comments.	Upload Attachment
If applicable, was an additional public hearing held for an Agency-Specific Waiver and/or Safe Harbor waiver?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
If yes, please attach the comments received along with the MTW agency’s description of how comments were considered.	Upload Attachment

<b>I</b>	<b>Evaluations.</b>
<b>I.1</b>	Please list any ongoing and completed evaluations of the MTW agency’s MTW policies, that the PHA is aware of, including the information requested in the table below. In the box “title and short description,” please write the title of the evaluation and a brief description of the focus of the evaluation.

Question	Input options and instructions
Does the PHA have an agency-sponsored evaluation?	Yes/No [If Yes]: Please complete the table below.

**Table I.1 - Evaluations of MTW Policies**

Title and short description	Evaluator name and contact information	Time period	Reports available

<b>J</b>	<b>MTW Certifications of Compliance.</b>
<b>J.1</b>	The MTW agency must execute the MTW Certifications of Compliance form and submit as part of the MTW Supplement submission to HUD. Certification is provided below.

## MTW CERTIFICATIONS OF COMPLIANCE

### *U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AND INDIAN HOUSING*

#### **Certifications of Compliance with Regulations: Board Resolution to Accompany the MTW Supplement to the Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairperson or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the MTW Supplement to the Annual PHA Plan for the MTW PHA Fiscal Year beginning (01/07/2023 \_\_\_), hereinafter referred to as "the MTW Supplement", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the MTW Supplement and implementation thereof:

- (1) The PHA made the proposed MTW Supplement and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the MTW Supplement and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board(s) or tenant associations, as applicable) before approval of the MTW Supplement by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the annual MTW Supplement.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the MTW Supplement in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) all regulations implementing these authorities; and other applicable Federal, State, and local civil rights laws.
- (5) The MTW Supplement is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The MTW Supplement contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the MTW Supplement is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing, which means that it will: (i) take meaningful actions to further the goals identified by the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15; (ii) take no action that is materially inconsistent with its obligation to affirmatively further fair housing; and (iii) address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d). Note: Until the PHA is required to submit an AFH, and that AFH has been accepted by HUD, the PHA must follow the certification requirements of 24 CFR 903.7(o) in effect prior to August 17, 2015. Under these requirements, the PHA will be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) examines its programs or proposed programs; (ii) identifies any impediments to fair housing choice within those programs; (iii) addresses those impediments in a reasonable fashion in view of the resources available; (iv) works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (v) maintains records reflecting these analyses and actions.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of housing quality standards as required in PIH Notice 2011-45, or successor notice, for any local, non-traditional program units. The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Moving to Work Operations Notice in a manner consistent with its MTW Supplement and will utilize covered grant funds only for activities that are approvable under the Moving to Work Operations Notice and included in its MTW Supplement. MTW Waivers activities being implemented by the agency must fall within the safe harbors outlined in Appendix I of the Moving to Work Operations Notice and/or HUD approved Agency-Specific or Safe Harbor Waivers.
- (23) All attachments to the MTW Supplement have been and will continue to be available at all times and all locations that the MTW Supplement is available for public inspection. All required supporting documents have been made available for public inspection along with the MTW Supplement and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its MTW Supplement and will continue to be made available at least at the primary business office of the MTW PHA.

Knoxville's Community Development Corporation  
**MTW PHA NAME**

TN003  
**MTW PHA NUMBER/HA CODE**

*I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

Benjamin Bentley  
**NAME OF AUTHORIZED OFFICIAL**

Secretary of the Board  
**TITLE**

\_\_\_\_\_  
**DATE**

3/28/2025  
**DATE**

\* *Must be signed by either the Chairperson or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairperson or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*

**TABLE 1. GUIDE**

- Core questions - An “X” in this column means that these are the set of core questions that are relevant for every waiver/activity.
- Custom questions - An “X” in this column means that these are questions that are specific to a particular activity. Not every activity will have custom questions.
- Safe Harbor - An "X" in this column means that the activity as described in Appendix 1 of the MTW Operations Notice includes a set of Safe Harbor provisions.
- Impact Analysis - An "X" in this column means that the activity as described in Appendix 1 of the MTW Operations Notice requires the PHA to conduct an impact analysis. This impact analysis must be submitted to HUD via the MTW Supplement; thus, the Supplement should include some statement regarding the requirement and an opportunity for the PHA to upload the impact analysis. The Operations Notice also states that an updated impact analysis must be attached to the MTW Supplement in each subsequent year.
- Hardship Policy - An "X" in this column means that the activity as described in Appendix 1 of the MTW Operations Notice requires the PHA to establish a hardship policy. The hardship policy must be submitted to HUD via the MTW Supplement; thus, the Supplement should include some statement regarding the requirement and an opportunity for the PHA to upload the hardship policy. PHA must still grant reasonable accommodation requests related to all activities even if the hardship policy is not in place.

**TABLE 1. MTW ACTIVITIES QUESTIONS FOR THE MTW SUPPLEMENT**

Section/Question	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
<b>1. Tenant Rent Policies</b>					
a. Tiered Rent (PH)	X	X	X		
b. Tiered Rent (HCV)	X	X	X		
c. Stepped Rent (PH)	X	X	X	X	X
d. Stepped Rent (HCV)	X	X	X	X	X
e. Minimum Rent (PH)	X	X	X	X	X
f. Minimum Rent (HCV)	X	X	X	X	X
g. Total Tenant Payment as a Percentage of Gross Income (PH)	X	X	X	X	X
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	X	X	X	X	X
i. Alternative Utility Allowance (PH)	X	X	X		
j. Alternative Utility Allowance (HCV)	X	X	X		
k. Fixed Rents (PH)	X	X	X		
l. Fixed Subsidy (HCV)	X	X	X		
m. Utility Reimbursements (PH)	X				
n. Utility Reimbursements (HCV)	X				
o. Initial Rent Burden (HCV)	X	X	X	X	
p. Imputed Income (PH)	X	X	X	X	X
q. Imputed Income (HCV)	X	X	X	X	X
r. Elimination of Deduction(s) (PH)	X	X	X	X	X
s. Elimination of Deduction(s) (HCV)	X	X	X	X	X
t. Standard Deductions (PH)	X	X	X	X	X
u. Standard Deductions (HCV)	X	X	X	X	X
v. Alternative Income Inclusions/Exclusions (PH)	X	X	X		
w. Alternative Income Inclusions/Exclusions (HCV)	X	X	X		
<b>2. Payment Standards and Rent Reasonableness</b>					
a. Payment Standards- Small Area Fair Market Rents (HCV)	X	X	X	X	X
b. Payment Standards- Fair Market Rents (HCV)	X	X	X	X	X

Section/Question	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
c. Rent Reasonableness – Process (HCV)	X	X	X		
d. Rent Reasonableness – Third-Party Requirement (HCV)	X	X	X		
<b>3. Reexaminations</b>					
a. Alternative Reexamination Schedule for Households (PH)	X	X	X	X	X
b. Alternative Reexamination Schedule for Households (HCV)	X	X	X	X	X
c. Self-Certification of Assets (PH)	X	X	X		
d. Self-Certification of Assets (HCV)	X	X	X		
<b>4. Landlord Leasing Incentives</b>					
a. Vacancy Loss (HCV-Tenant-based Assistance)	X	X	X		
b. Damage Claims (HCV-Tenant-based Assistance)	X	X	X		
c. Other Landlord Incentives (HCV-Tenant-based Assistance)	X	X	X		
<b>5. Housing Quality Standards (HQS)</b>					
a. Pre-Qualifying Unit Inspections (HCV)	X	X	X		
b. Reasonable Penalty Payments for Landlords (HCV)	X	X	X		
c. Third-Party Requirement (HCV)	X	X	X		
d. Alternative Inspection Schedule (HCV)	X		X		
<b>6. Short-Term Assistance</b>					
a. Short-Term Assistance (PH)	X	X	X	X	X
b. Short-Term Assistance (HCV)	X	X	X	X	X
<b>7. Term-Limited Assistance</b>					
Term-Limited Assistance (PH)	X	X	X	X	X
Term-Limited Assistance (HCV)	X	X	X	X	X
<b>8. Increase Elderly Age (PH &amp; HCV)</b>					
<b>9. Project-Based Voucher Program Flexibilities</b>					
a. Increase PBV Program Cap (HCV)	X	X	X		
b. Increase PBV Project Cap (HCV)	X		X		
c. Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement (HCV)	X		X		
d. Alternative PBV Selection Process (HCV)	X		X		
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	X	X	X		
f. Increase PBV HAP Contract Length (HCV)	X		X		
g. Increase PBV Rent to Owner (HCV)	X		X		
h. Limit Portability for PBV Units (HCV)	X		X		
<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>					
a. Waive Operating a Required FSS Program (PH & HCV)	X		X	X	X

Section/Question	Core Questions	Custom Questions	Safe Harbor	Impact Analysis	Hardship Policy
b. Alternative Structure for Establishing Program Coordinating Committee (PH & HCV)	X	X	X	X	X
c. Alternative Family Selection Procedures (PH & HCV)	X	X	X	X	X
d. Modify or Eliminate the Contract of Participation (PH & HCV)	X		X	X	X
e. Policies for Addressing Increases in Family Income (PH & HCV)	X	X	X	X	X
<b>11. MTW Self-Sufficiency Program</b>					
a. Alternative Family Selection Procedures (PH & HCV)	X	X	X	X	X
b. Policies for Addressing Increases in Family Income (PH & HCV)	X	X	X	X	X
<b>12. Work Requirement</b>					
a. Work Requirement (PH)	X	X	X	X	X
b. Work Requirement (HCV)	X	X	X	X	X
<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>					
	X	X	X		
<b>14. Moving on Policy</b>					
a. Waive Initial HQS Inspection Requirement (HCV)	X		X		
b. Allow Income Calculations from Partner Agencies (PH & HCV)	X		X		
c. Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH & HCV)	X		X		
<b>15. Acquisition without Prior HUD Approval (PH)</b>					
	X		X		
<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>					
	X		X		
<b>17. Local, Non-Traditional Activities</b>					
a. Rental Subsidy Programs	X	X	X		
b. Service Provision	X	X	X		
c. Housing Development Programs	X	X	X		

## Instructions for Preparation of Form HUD-50075-MTW, MTW Supplement to the Annual PHA Plan

The instructions below detail how to complete the MTW Supplement. These instructions will not appear in the fillable form.

**Note about file uploads:** PHAs can upload PDF or Word documents. Files should be named with the following naming convention: PHA code, Fiscal Year (FY), and short name for the policy/item. Some examples would be CA789FY21RentHardship for a rent hardship policy, CA789FY21ImpactAnalysis for an impact analysis that is applicable to multiple MTW activities, and CA789FY21MTWCertofCompliance for the MTW Certifications of Compliance.

**A. PHA Information.** All PHAs must complete this section.

**A.1** Include the full **PHA Name, PHA Code, PHA Fiscal Year Beginning (MM/DD/YYYY), MTW Cohort Number, and MTW Supplement Submission Type.**

**B. Narrative.** All MTW agencies must complete this section.

**B.1 MTW Supplement Narrative.**

Provide a written description of how the MTW agency seeks to address the three statutory objectives during the coming year. Those three statutory objectives are: (1) to reduce cost and achieve greater cost effectiveness in federal expenditures; (2) to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; (3) and to increase housing choices for low-income families.

The narrative provides the PHA an opportunity to explain to the public, and the families that it serves, its MTW plans and goals for the coming Fiscal Year.

**C. MTW Waivers.**

**Core Questions.** All MTW activities found in Section C require responses to the same common questions.

*Narrative.* Describe the activity, the agency's goals for this activity, and, if applicable, how this activity contributes to a larger initiative.

*Statutory Objective.* Indicate which of the MTW statutory objectives this activity serves; each activity may serve one or more objectives. The three statutory objectives are housing choice, self-sufficiency, and cost effectiveness. Check all that apply.

*Cost Implications.* State the cost implications of each activity. Choose the best description of the cost implications based on what is known at the time of completing the MTW Supplement. Indicate which categories best describe the cost implications of the activity from among the following choices: neutral (no cost implications), increased revenue, decreased revenue, increased costs, decreased costs. Check all that apply. For instance, an activity may increase revenue, increase costs, and therefore be cost neutral. Alternatively, an activity may simply increase costs.

*Different versions.* Indicate whether there will be different policies for different household statuses, family types, or locations (public housing developments or HCV properties). If [Yes] is checked, questions will pop up which allow the MTW agency to explain which household statuses, family types, and/or locations will be affected. If [No] is checked, the respondent will move on to the next question. The agency will be able to indicate if a policy is different for one or more of these areas.

For example, if an MTW agency chooses to apply a Tenant Rent Policy to only non-elderly, non-disabled families, and not to the elderly or disabled, then it would check [Yes] and then receive the subsequent items that allow the agency to indicate what types of households and family types are affected by the activity.

*Household status.* MTW Agency's must indicate what type of household to which the activity applies. Household types means the following types: new admissions only, currently assisted households only, or new admissions and currently assisted households.

*Family Types:* Family types mean the following: non-elderly, non-disabled families; elderly families; disabled families; or other specifically defined target populations.

*Location.* The MTW agency indicates if the activity is or will be implemented at all or only at certain locations. Depending on if responses are being provided for a public housing (PH) or HCV activity, the agency will either see questions applicable to PH or HCV. For PH, the questions will be about developments and for HCV the questions will be about tenant-based units and properties with project-based vouchers. The agency must check the applicable response for all or specific. If the response is for specific locations, then the agency will be asked to provide the details.

PHAs may develop one comprehensive hardship policy to cover all MTW activities requiring a hardship policy, which would only need to be uploaded once.

*Safe Harbor Waiver.* PHAs must indicate if a Safe Harbor Waiver is needed to implement this policy as described. If yes, then the MTW Agency is asked the following: what is the status of the Safe Harbor Waiver Request? PHAs must indicate if the waiver request is being submitted for review with this submission of the MTW Supplement (see Section D), or if the waiver was previously approved. If the latter is checked (the waiver was previously approved), then the PHA must describe the extent to which the Safe Harbor Waiver is supporting the PHA's goal in implementing this activity.

*Hardship policy.* The MTW Operations Notice requires agencies to adopt written policies for determining when a requirement or provision of the MTW activity constitutes a financial or other hardship for the family. If applicable for the activity, please upload the hardship policy associated with this activity. Hardship policies may be applicable to multiple MTW Activities. Only upload Hardship Policy once if said Hardship Policy applies to multiple Activities. Reference Table 1 for specificity on when a hardship policy is required.

*Modification of hardship policy.* PHAs must indicate if the hardship policy has been modified since the last submission of the MTW Supplement. PHAs must check yes or no. If yes, then the respondent is asked: why has the MTW agency modified the hardship policy? The PHA will use the provided text box to describe the modifications.

Number of hardship requests. PHAs must indicate the number of hardship requests that have been received for each applicable activity in the most recently completed PHA fiscal year.

PHAs are legally required to provide reasonable accommodations to their MTW requirements, provisions, or policies, or any component of those requirements, provisions, and policies, following the same standards and processes that generally apply to reasonable accommodations.

*Impact analysis.* The MTW Operations Notice requires agencies to analyze and put into writing the various impacts of the MTW activity if it is required for the MTW activity. Please upload the impact analysis that has been prepared related to this activity, if applicable. An impact analysis may be applicable to multiple MTW Activities. Only upload Impact Analysis once if said Impact Analysis applies to multiple Activities. Reference Table 1 for specificity on when an impact analysis is required.

*Description of accomplishments or changes in implementation.* Provide a description, based on the Fiscal Year goals as listed in the activity's previous Fiscal Year's narrative, about what has been accomplished or changed during the implementation.

*Discontinuation of activity.* If the PHA selects "Will be Discontinued in the Submission Year" or "Was Discontinued in a previous Submission Year" in the screener, a question will be displayed that asks for an explanation as to why the activity was discontinued or will be discontinued. The PHA should explain why the activity was or will be discontinued. If the activity has already been discontinued, the PHA should include the final outcomes and lessons learned. If the activity was discontinued in a previous submission year, the PHA should state which year the activity was discontinued in.

**Custom Questions.** Some MTW activities require responses to custom questions that are specific only to that activity. Some MTW activities contain no custom questions. Respondents must answer each of the custom questions, which will only appear if the PHA is opting to implement the MTW activity in the coming Fiscal Year.

Information for how to answer each custom question is included in the 'input options and instructions' column for each MTW activity.

#### **D. Safe Harbor Waivers.**

**D.1: Safe Harbor Waivers seeking HUD Approval.** The MTW Operations Notice describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I For each Safe Harbor Waiver request, a document that includes the following must be provided: a) the name and activity number of the MTW Waiver for which the PHA is seeking to expand the safe harbor, b) the specific safe harbor and its implementing regulation, c) the proposed policy the PHA wishes to implement via this waiver, d) a description of the local issue and why such an expansion is needed to implement the activity, e) an impact analysis, f) a description of the hardship policy for the initiative, and g) a copy of all comments received at the public hearing a copy of all comments received at the public hearing along with the MTW agency’s description of how the comments were considered, as a required attachment to the MTW Supplement.

## E. Agency-Specific Waivers.

**E.1: Agency-Specific Waivers Submitted for HUD Approval.** The MTW demonstration program is intended to foster innovation and HUD encourages MTW agencies, in consultation with their residents and stakeholders, to be creative in their approach to solving affordable housing issues facing their local communities. For this reason, flexibilities beyond those provided for in Appendix I may be needed. Agency-Specific Waivers may be requested if an MTW agency wishes to implement additional activities, waive a statutory or regulatory requirement not included in Appendix I.

In order to pursue an Agency-Specific Waiver, an MTW agency must include an Agency-Specific Waiver request, an impact analysis, and a hardship policy (as applicable).

For each Agency-Specific Waiver(s) request, please provide a title and upload supporting documentation, that includes: a) a full description of the activity, including what the agency is proposing to waive (i.e., statute, regulation, and/or MTW Operations Notice), b) how the initiative achieves one or more of the 3 MTW statutory objectives, c) a description of which population groups and household types that will be impacted by this activity, d) any cost implications associated with the activity, e) an implementation timeline for the initiative; f) an impact analysis, g) a description of the hardship policy for the initiative, and h) a copy of all comments received at the public hearing along with the MTW agency’s description of how the comments were considered, as a required attachment to the MTW Supplement.

A PHA planning to pursue an Agency-Specific Waiver is encouraged to read Section 4.c. of the MTW Operations Notice prior to filling out this section of the MTW Supplement.

**E.2: Agency-Specific Waiver(s) for which HUD Approval has been Received.** For each previously approved Agency-Specific Waiver(s), a set of questions will populate. Does the agency have any approved agency-specific waivers? If yes, the title previously provided in Section E.1 will prepopulate and ask if there has been a change in how the Agency-Specific Waivers is being implemented from when it was originally approved or if it has been discontinued. For changes, the PHA will need to provide a description of what has changed. If it has been discontinued, the PHA will need to provide a description about the final outcomes and lessons learned, as well as whether a final impact analysis was prepared at the time of discontinuation if one was previously required.

## F. Public Housing Operating Subsidy Grant Reporting

**F.1: Public Housing Operating Subsidy Grant Reporting.** PHAs must fill out this table if it receives public housing Operating Subsidy grant funding from HUD. Only public housing Operating Subsidy grant funding awarded in the year the PHA is designated an MTW agency and beyond must be reported in this table. Additional rows must be added for Federal Fiscal Years beyond 2023, as applicable.

The federal account closing law applies to time-limited funds appropriated by Congress during the annual appropriations act process. For the public housing Operating Fund, PHAs must expend federal funds no more than five (5) years after the period of availability for obligation expires. After this 5-year period, the account closes, and the funds are no longer available for any purpose. For public housing Operating Subsidy grant funding, the period of availability for obligation ends at the end of the fourth Federal Fiscal Year (i.e., the period of availability for obligation of FY 2021 funds ends 9/30/2024). Pursuant to the account closing law, PHAs must expend all Operating Subsidy grant amounts within five years of this date (i.e., for FY 2021 funds, the account will close, and funds will no longer be legally available for any purpose on 9/30/2029).

## G. MTW Statutory Requirements.

**General.** HUD will verify compliance with the statutory requirements G.1, G.3, and G.4 for public housing units and HCV units through HUD systems. In addition, agencies are to report compliance with the same requirements for Local, Non-Traditional

Households in the tables provided in this section. Once HUD systems are capable of capturing this data then this will no longer need to be reported through the MTW Supplement.

**G.1: 75% Very Low Income.** All PHAs must fill out the table in G.1. The MTW PHA must provide data for the actual families housed upon admission during the PHA's most recently completed Fiscal Year for its local, non-traditional program households. For instance, a PHA submitting its MTW Supplement to the FY2020 Annual PHA Plan should include its Fiscal Year (FY) 2018 local, non-traditional data since this is the most recently completed Fiscal year. Only local, non-traditional new admissions should be included in the table. If a PHA houses no local, non-traditional households, then zeros must be inputted into the table.

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for public housing and HCV programs through existing HUD systems.

**G.2: Establishing Reasonable Rent Policy.** All PHAs must fill out section G.2. Per the MTW Operations Notice, all activities falling under the Tenant Rent Policies category (Section C.1 of the MTW Supplement) or the Alternative Reexamination Schedule category (Section C.3 of the MTW Supplement), detailed in the Appendix of the MTW Operations Notice, meet the definition of a reasonable rent policy.

MTW agencies are reminded that the Rent Determination section of the PHA Plan should be reflective of MTW reasonable rent policies where applicable. From the PHA Plan: "Rent Determination. A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#)).

**G.3: Substantially the Same (STS).** All PHAs must fill out section G.3. The number of local, non-traditional families served must be provided by month for the most recently completed Calendar Year. If a PHA houses no local, non-traditional families, then zeros must be inputted into the table. The additional information on Local, Non-Traditional development units must be provided for each development.

HUD will verify compliance with the STS statutory requirement for public housing and HCV programs through existing HUD systems.

**G.4: Comparable Mix (by Family Size).** All PHAs must fill out section G.4. In order to demonstrate that the statutory objective of "maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration" is being achieved, the PHA will provide family size (i.e., not bedroom size) data in the table for the most recently completed Fiscal Year. For instance, a PHA submitting its MTW Supplement to the FY2021 Annual PHA Plan should include its FY 2019 local, non-traditional data since this is the most recently completed Fiscal Year. If a PHA houses no local, non-traditional household, then zeros must be inputted into the table.

HUD will verify compliance with the comparable mix statutory requirement for public housing and HCV programs through existing HUD systems.

**G.5: Housing Quality Standards.** PHAs are not required to enter any information into section G.5. This statutory requirement is certified to in the MTW Certifications of Compliance form for the HCV and local, non-traditional housing programs. The public housing program is monitored by HUD through the Public Housing Assessment System (PHAS) Physical Subsystem, or successor, despite the MTW PHA being exempt from an overall designation.

## H. Public Comments.

**H.1: Public Comments.** All PHAs are required, per the Annual PHA Plan regulations, to go through a public process prior to submitting the MTW Supplement to HUD. The MTW agency must consider, in consultation with the Resident Advisory Board (RAB) and tenant association, as applicable, all of the comments received at the public hearing. The comments received by the public, RABs, and tenant associations must be submitted by the MTW agency, along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

As described above, PHAs must submit comments and responses for all Safe Harbor and Agency-Specific Waivers, which are to be held in an additional public meeting.

The public comment process must include the Supplement and all uploaded attachments.

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**I. Evaluations**

**I.1: Evaluations.** The MTW agency should fill in Table I.1, listing each evaluation of the MTW policies and providing contact information for the evaluator, the time period of the evaluation, and the names of available reports. The MTW agency should list internal evaluations that result in reports that could be shared upon request but may leave off evaluations meant for internal use only. The MTW agency should list all third-party evaluations, as applicable.

**J. MTW Certifications of Compliance.**

**J.1: MTW Certifications of Compliance Form.** The format for submission of the required MTW Certifications of Compliance is provided in this Form MTW Supplement. The preamble to the MTW Certifications of Compliance directs the MTW PHA to fill in the beginning of the Fiscal Year for which the certification is being made. This should be provided as the first day of the Fiscal Year to be covered by the Annual PHA Plan (for example, a FY2021 Annual PHA Plan for an MTW PHA with a Fiscal Year of January 1 – December 31, this would be January 1, 2021).

The MTW Certifications of Compliance must be signed by either the Chairperson or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairperson or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

The MTW Certifications of Compliance must be submitted to HUD as part of the MTW Supplement for each annual submission and each revised annual submission.

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Public reporting burden for this information collection is estimated to average 6.5 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB control number. The information collected is required to obtain or retain benefits. The information collected will not be held confidential.

## A. PHA Information

PHA Name:	Knoxville's Community Development Corporation
PHA Code:	TN003
MTW Supplement for PHA FY Beginning:	07/01/2025
PHA Program Type:	Housing Choice Voucher (HCV) only
MTW Cohort Number:	004 - Landlord Incentives
MTW Supplement Submission Type:	Annual Submission

## B. Narrative

Knoxville's Community Development Corporation (KCDC) is the public housing authority for the City of Knoxville and Knox County, managing and renting more than 3,600 units across more than twenty properties. KCDC's Section 8 Rental Assistance Department also manages the application process and distribution of over 4,000 vouchers across multiple programs (HCV, PBV, FUP, FYI, VASH, Mainstream, EHV, TPV, AHAP, NED, MOD-REHAB). Knoxville and Knox County have not been immune to the housing shortage that is apparent on a national scale. We recognize the powerful opportunity to assuage the impact of the housing shortage in our own backyard by becoming part of the Moving to Work Demonstration Program Cohort #4 – Landlord Incentives (MTW).

Housing choice is a critical key to the success of voucher holders. Having more choice of housing alongside more choice of location, zip code, school zone, areas with higher concentrations of grocery stores, community events, and the like is what makes a community strong or weak. By our participating landlords being able to choose where they may want to be through opening up the Project Based Voucher program allows for our voucher holders to have more options in which communities they want their families to live. This also allows for KCDC to maximize its use of financing tools to increase the number of voucher units available in the market.

Each of the MTW activities allows for a more cost-effective approach to the program. Having more flexibility within the regular payment standard areas will allow for the majority of our landlords to stay on the program as the local market sees more competition from private renters. This is especially true with the four areas in which KCDC already has SAFMR payment standards. The four SAFMR payment standards are more closely located within Knoxville's more developing areas. The adoption of an alternative inspection schedule also allows for already occupied units to not have to be inspected on our bi-annual basis. When KCDC changed to this bi-annual schedule, landlords and voucher holders alike were ecstatic to accept this change. The reduced intrusion of an external entity into the homes of vouchers holders and the cost savings from landlords were a big selling point to new program participants. Moving to a tri-annual inspection schedule will not be a difficult maneuver, given our current schedule. From a cost-effectiveness standpoint, this further increases the amount of money which will not have to be used for already occupied units on a two-year basis. These MTW activities directly correlate to the self-sufficiency of our program participants.

Housing stock within MTW participation will allow for KCDC to have a deeper level of engagement with its landlords and developers, as we continue to examine payment standards, exception payment standards, and the change in HQS inspection schedule. In Knoxville and Knox County, we have earned a commitment from the community, stakeholders, developers, and service groups toward PBV settings with supportive services. KCDC is quickly approaching its maximum amount allowed without MTW participation. These PBVs mean we would be able to engage in participants who are currently in need, but in the supportive service setting alongside a Housing First approach, we are able to see housing retention rivaling National Association of Social Worker (NASW) standards for success.

## C. MTW Waivers and Associated Activities

## C.2 Payment Standards and Rent Reasonableness

2.a. - Payment Standards – Small Area Fair Market Rents (FMR) (HCV)	Input options and instructions
Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	These MTW activities allow for more flexibility for both payment standards and exception payment standards. The ability to have a larger range to go beyond FMR or SAFMR, provides us the opportunity to evaluate which area or zip code we can go beyond the regular 110%. This makes us a more viable partner with private landlords who are ready to become participating landlords within the HCV program. This competition also opens up our ability to add more PBV units, which Knoxville is quite open to doing.
Which of the MTW statutory objectives does this MTW activity serve?	Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	Increased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies only to a subset or subsets of assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	New admissions and currently assisted households
Does the MTW activity apply to all family types or only to selected family types?	The MTW activity applies to all family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?	The MTW activity applies to all tenant-based units
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?	No
Does this MTW activity require a hardship policy?	Yes. Document attached.
Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)	Yes. Also applied to 2.b. - Payment Standards- Fair Market Rents (HCV)
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	No

How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	0
Does the MTW activity require an impact analysis?	Yes. Document attached.
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	No
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A
Please explain the payment standards by ZIP code or "grouped" ZIP codes.	Current SAFMR exception payment standards are designated for zip codes 37917, 37919, 37920, 37921, 37922 and 37932. 37917 ranges from \$1,400 for a studio to \$3,367 for a six bedroom. 37919 ranges from \$1,390 for a studio to \$3,354 for a six bedroom. 37920 ranges from \$1,090 for a studio to \$2,626 for a six bedroom. 37921 ranges from \$1,330 for a studio to \$3,211 for a six bedroom. 37922 ranges from \$1,810 for a studio to \$4,368 for a six bedroom. 37932 ranges from \$1,650 for a studio to \$3,978 for a six bedroom.
<b>2.b. - Payment Standards – Fair Market Rents (HCV)</b>	
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	KCDC will adopt a payment standard that is between 80% to 120% 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. The ability to set payment standards within this increased range will allow for payment standards to be more reflective of local markets and therefore increase the number of housing units that HCV participants qualify to rent.
Which of the MTW statutory objectives does this MTW activity serve?	Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies to all assisted households

<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>	Both new and current households
<b>Does the MTW activity apply to all family types or only to selected family types?</b>	All Family types
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>	The MTW activity applies to all tenant-based units
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>	No
<b>Does this MTW activity require a hardship policy?</b>	Yes. Provided Already
<b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b>	Yes, also to 2.a.
<b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b>	No
<b>How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?</b>	0
<b>Does the MTW activity require an impact analysis?</b>	Yes. Document attached.
<b>Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)</b>	No
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b>	N/A
<b>Please provide an explanation as to why the activity was discontinued or will be discontinued.</b>	N/A

<p><b>Please explain the payment standards by FMR.</b></p>	<p>CURRENT FAIR MARKET RENTS  BY Number of Bedrooms:  0: \$1256  1: 1264  2: 1548  3: 1989  4: 2335  5*: 2685  6+*: 3035  •5 Bedroom Fair Market Rent = 115% of 4-bedroom Fair Market Rent  •6 Bedroom Fair Market Rent = 130% of 4-bedroom Fair Market Rent  •Manufactured Home Space Rental = 40% of 2-Bedroom Fair Market Rent = \$619.00</p>
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## C.4 Landlord Leasing Incentives

### 4.b. - Damage Claims (HCV)

<p><b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b></p>	<p>Removing the perception that Voucher tenants are not as responsible as market rate tenants is a key element in the recruitment of new landlords. We anticipate this program will not have a large budgetary impact but will instead remove skepticism on the part of the landlord. We will create a damage claim program 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 or two months of contract rent. Landlords must follow the KCDC process for reimbursement. PHA staff reserve the right to physically inspect the damages and obtain a counter-quote for the repairs from a reputable company.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p>	<p>This MTW activity serves the following statutory objectives: Housing Choice.</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p>	<p>This MTW activity will result in increased expenditures.</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p>	<p>The MTW activity applies to all assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p>	<p>Both new and current households</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p>	<p>All Family types</p>

<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>	Yes
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>	<ul style="list-style-type: none"> <li>• If the tenant leaves the unit damaged, the amount of damage claims must not exceed the lesser of the cost of repairs or two months of contract rent.</li> <li>• In implementing this activity, the participant's security deposit must first be used to cover damages and the agency may provide up to two months of contract rent minus the security deposit to cover remaining repairs.</li> <li>• The payment must be made to a landlord when the next HAP contract is executed between the owner and PHA.*</li> <li>• The agency must update its Administrative Plan to reflect the damage claim policy.*</li> </ul>
<b>Does this MTW activity require a hardship policy?</b>	No
<b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b>	N/A
<b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b>	N/A
<b>How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?</b>	N/A
<b>Does the MTW activity require an impact analysis?</b>	No
<b>Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)</b>	N/A
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b>	N/A
<b>Please provide an explanation as to why the activity was discontinued or will be discontinued.</b>	N/A

Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program?)	All HCV Units
What is the maximum payment that can be made to a landlord under this policy?	The equivalent of two months rent minus security deposit.
How many payments were issued under this policy in the most recently completed PHA fiscal year?	0
What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?	0
<b>4.c. - Other Landlord Incentives (HCV)</b>	
Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	In an effort to recruit and retain landlords in the HCV program, we propose the following incentives: a. <input checked="" type="checkbox"/> 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.) b. <input checked="" type="checkbox"/> 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.)
Which of the MTW statutory objectives does this MTW activity serve?	This MTW activity serves the following statutory objectives: Housing Choice.
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	This MTW activity will result in increased expenditures.
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies to all assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	Both new and current households
Does the MTW activity apply to all family types or only to selected family types?	All Family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?	Yes
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?	<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/> Payments made to the landlord must be equal to no more than one month of the contract rent.</li> <li>• <input checked="" type="checkbox"/> The payment must be made to the landlord when the HAP contract is executed between the owner and the PHA.*</li> </ul>

Does this MTW activity require a hardship policy?	No
Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)	N/A
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	N/A
How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A
Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in a low-poverty neighborhood, or units/landlords new to the HCV program?	All HCV Units
What is the maximum payment that can be made to a landlord under this policy?	\$1,750 in the first year, \$1,250 in subsequent years.
How many payments were issued under this policy in the most recently completed PHA fiscal year?	0
What is the total dollar value of payments issued under this policy in the most recently completed PHA fiscal year?	0

## C.5 Housing Quality Standards (HQS)

### 5.d. - Alternative Inspection Schedule (HCV)

<p><b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b></p>	<p>The adoption of the alternative HQS inspection schedule also primes our pool of existing landlords to continue engagement, as well as advocating for the incentives the program offers. Knoxville is primed for this level of engagement, as our landlords receive extra incentives for housing persons who hold an Emergency Housing Voucher. The cost savings to us is substantial as well, as KCDC would be able to adopt a 36-month schedule for HQS inspections. The tri-annual inspection schedule is another incentive to bring on new and keep existing landlords to our programs. This also does not mean it is a major change to the program already initiated, so this waiver does not create any unforeseen barriers. It does create a major cost savings for the HQS payment schedule, while concomitantly creating a deeper conversation to the prerequisites offered to participating landlords.</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p>	<p>Cost effectiveness</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p>	<p>Decreased Expenditures</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p>	<p>The MTW activity applies to all assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p>	<p>Both new and current households</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p>	<p>All Family types</p>
<p><b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p>	<p>Yes</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p>	<p>No</p>
<p><b>Does this MTW activity require a hardship policy?</b></p>	<p>No</p>
<p><b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b></p>	<p>N/A</p>
<p><b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b></p>	<p>N/A</p>

How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A

## C.9 Project-Based Voucher Program Flexibilities (PBV)

### 9.a. - Increase PBV Program Cap (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	There is a large community need for long term affordable housing. HCV units experience annual rent increases which result in increased tenant rental portions. By project-basing additional vouchers, long-term and affordable housing is secured for families. This activity would increase the cap for which the KCDC could award Project-Based Voucher contracts. KCDC has very few project-based units left to authorize and there is an increased need within the housing inventory.
Which of the MTW statutory objectives does this MTW activity serve?	Cost effectiveness; Self-sufficiency; Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	Neutral (no cost implications)
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies to all assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	Both new and current households
Does the MTW activity apply to all family types or only to selected family types?	All Family types

Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?	Yes
Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?	No
Does this MTW activity require a hardship policy?	No
Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)	N/A
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	N/A
How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A
What percentage of total authorized HCV units will be authorized for project-basing?	50%

**9.b. - Increase PBV Project Cap (HCV)**

<b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b>	The current PBV cap under which KCDC operates is 25%. KCDC will implement this activity to allow a project cap of up to 100% of the units at a project. This will allow for additional housing choice for all Section 8 eligible households. By increasing the project-based voucher cap, additional units within new developments in highly desirable zip codes could be constructed and opened for low-income families. Increasing the cap would also allow for the development of specialty complexes with supportive services, such as FYI and VASH focused housing.
<b>Which of the MTW statutory objectives does this MTW activity serve?</b>	Housing choice
<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>	Neutral (no cost implications)
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>	The MTW activity applies to all assisted households
<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>	Both new and current households
<b>Does the MTW activity apply to all family types or only to selected family types?</b>	All Family types
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>	Yes
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>	No
<b>Does this MTW activity require a hardship policy?</b>	No
<b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b>	N/A
<b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b>	N/A
<b>How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?</b>	N/A
<b>Does the MTW activity require an impact analysis?</b>	No

Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A

### 9.c. - Elimination of PBV Selection Process for PHA-owned Projects without

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	KCDC will be allowed 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. KCDC must currently engage in an administratively burdensome process to project-based units that begins with publishing a Request for Proposals (RFP) to solicit applications for any interested property owner. This activity would provide flexibility to award PBV vouchers to KCDC owned units with a simplified process of having a Subsidy Layering Review (SLR) conducted and ensuring the property is compliant with site selection requirements.
Which of the MTW statutory objectives does this MTW activity serve?	Cost effectiveness; Housing choice
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	Decreased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies to all assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	Both new and current households
Does the MTW activity apply to all family types or only to selected family types?	All Family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?	Yes

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?	No
Does this MTW activity require a hardship policy?	No
Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)	N/A
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	N/A
How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A

### 9.d. - Alternative PBV Selection Process (HCV)

<p><b>Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.</b></p>	<p>Currently, KCDC must engage in an administratively burdensome and time-intensive process in order to project-based units that begins with publishing a Request for Proposals (RFP) to solicit applications for project based vouchers at certain housing projects. This activity would provide flexibility to award PBV vouchers to housing projects, either new construction or existing, that meet certain quantitative and qualitative standards that are similar to those currently outlined in the standard the RFP process but does not require the issuance of a formal, public RFP. These standards may include desirable location, unique approaches (such as housing special populations, mixed income), and certainty around execution (developer/applicant's track record, determining sources and uses, identifying significant barriers to development).</p>
<p><b>Which of the MTW statutory objectives does this MTW activity serve?</b></p>	<p>This MTW activity serves the following statutory objectives: Cost Effectiveness and Housing Choice.</p>
<p><b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b></p>	<p>This MTW activity is expected to result in decreased expenditures.</p>
<p><b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b></p>	<p>The MTW activity applies to all assisted households</p>
<p><b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b></p>	<p>Both new and current households</p>
<p><b>Does the MTW activity apply to all family types or only to selected family types?</b></p>	<p>All Family types</p>
<p><b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b></p>	<p>Yes</p>
<p><b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b></p>	<ul style="list-style-type: none"> <li>• If the selected project is PHA-owned, HQS inspections must be performed by an independent entity according to 24 CFR 983.59(b) or 24 CFR 983.103(f).*</li> <li>• The agency is subject to Notice PIH 2013-27 where applicable, or successor.*</li> </ul>
<p><b>Does this MTW activity require a hardship policy?</b></p>	<p>No</p>
<p><b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b></p>	<p>N/A</p>
<p><b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b></p>	<p>N/A</p>

How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	
Please provide an explanation as to why the activity was discontinued or will be discontinued.	

### 9.h. - Limit Portability for PBV Units (HCV)

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	Currently PBV households have the ability to request a tenant-based voucher after 12 months. This process is administratively burdensome as well as unrealistic in the current housing market. This activity will provide the flexibility to change the portability request to no more than 24 months.
Which of the MTW statutory objectives does this MTW activity serve?	Cost effectiveness
What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.	Decreased expenditures
Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?	The MTW activity applies to all assisted households
Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?	Both new and current households
Does the MTW activity apply to all family types or only to selected family types?	All Family types
Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?	Yes

Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?	No
Does this MTW activity require a hardship policy?	No
Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)	N/A
Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?	N/A
How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?	N/A
Does the MTW activity require an impact analysis?	No
Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)	N/A
Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.	N/A
Please provide an explanation as to why the activity was discontinued or will be discontinued.	N/A

## C.17 Local, Non-Traditional (LNT) Activities

### 17.c. - Housing Development Programs

Describe the MTW activity, the MTW agency's goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.	There is a high need for affordable housing in the Knoxville market. As such, participating in 17.c. will allow KCDC the flexibility to allocate up to 10% of its HAP budget to the acquisition, renovation, or building of affordable rental units (non-public housing) for low-income families. <b>At this time, KCDC does not have any LNT properties.</b>
Which of the MTW statutory objectives does this MTW activity serve?	Housing choice

<b>What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.</b>	Increased revenue; Increased expenditures
<b>Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?</b>	The MTW activity applies to all assisted households
<b>Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?</b>	Both new and current households
<b>Does the MTW activity apply to all family types or only to selected family types?</b>	All Family types
<b>Does the MTW activity apply to all HCV tenant-based units and properties with project-based vouchers?</b>	Yes
<b>Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?</b>	No
<b>Does this MTW activity require a hardship policy?</b>	No
<b>Does the hardship policy apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload hardship policy once when said policy applies to multiple MTW activities.)</b>	N/A
<b>Has the MTW agency modified the hardship policy since the last submission of the MTW Supplement?</b>	N/A
<b>How many hardship requests have been received associated with this activity in the most recently completed PHA fiscal year?</b>	N/A
<b>Does the MTW activity require an impact analysis?</b>	No
<b>Does the impact analysis apply to more than this MTW activity? If yes, then please list all of the applicable MTW activities. (Only upload impact analysis once when said impact analysis applies to multiple MTW activities.)</b>	N/A
<b>Based on the Fiscal Year goals listed in the activity's previous Fiscal Year's narrative, provide a description about what has been accomplished or changed during the implementation.</b>	N/A
<b>Please provide an explanation as to why the activity was discontinued or will be discontinued.</b>	N/A

<b>D. Safe Harbor Waivers</b>	
Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?	No
<b>E. Agency-Specific Waivers</b>	
Will the MTW agency submit a request for approval of an Agency-Specific Waiver this year?	No
Does the MTW agency have any approved Agency-Specific Waivers?	No
<b>F. Public Housing Operating Subsidy Grant Reporting</b>	
Please see 50075-MTW Supplement table for detailed information.	
<b>G. MTW Statutory Requirements</b>	
<b>G.1 75% Very Low Income – Local, Non-Traditional.</b>	
Please see 50075-MTW Supplement table for detailed information.	
<b>G.2 Establishing Reasonable Rent Policy</b>	
Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?	Yes
<b>G.3 Substantially the Same (STS) – Local, Non-Traditional.</b>	
Please see 50075-MTW Supplement table for detailed information.	
<b>G.4 Comparable Mix (by Family Size) - Local, Non-Traditional</b>	
Please see 50075-MTW Supplement table for detailed information.	
<b>H. Public Comments</b>	
Please provide copy of all comments received by the public, Resident Advisory Board, and tenant associations.	Document attached
Please attach a narrative describing the MTW agency's analysis of the comments and any decisions made based on these comments.	Document attached
If applicable, was an additional public hearing held for an Agency-Specific Waiver and/or Safe Harbor waiver?	N/A
If yes, please attach the comments received along with the MTW agency's description of how comments were considered.	

<b>I. Evaluations</b>	
Does the PHA have an agency-sponsored evaluation?	No

### B.3

Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

#### **Previous 5-Year Goals (2020 – 2024)**

- Expand the supply of affordable housing by applying for additional Section 8 VASH vouchers, if available or needed, leverage private or other public funds to create additional housing opportunities, acquire or build units or developments, and explore housing development opportunities outside city limits.
- Received \$0.00 funds from Knox County CDBG
- Received \$15,955,621 from the City of Knoxville
- Received \$2,019,166 from Tennessee Housing Development Agency
- KCDC has received 150 VASH vouchers that are currently in circulation
- KCDC has received 100 Mainstream vouchers and 140 Mainstream Non-Elderly vouchers that are currently in circulation.
- KCDC has received 18 Family Unification Program vouchers that are currently in circulation.
  
- Improve the quality of affordable housing by increasing usage of Asset Planner software for Capital Fund needs, renovate and modernize the remaining public housing units through conversion from Low Income Public Housing to Project-Based Rental Assistance, Project-Based Voucher (non-RAD), demolish obsolete public housing units and provide replacement housing for demolished units.
- As part of the \$40 million HUD Choice Neighborhood Implementation Grant awarded to KCDC in 2022 for Western Heights Addition (3-4), demolition of 196 existing units through the Section 18 application process (demolition and/or disposition) have been completed as of the end of CY2024 to facilitate the start of the CNI Implementation Plan. As part of the CNI Plan, all 196 units removed will be rebuilt across the various phases of the CNI over the next four years (through 2028). Phase I, which includes 76 units of the CNI includes closing activities and beginning construction in Q1 or Q2 of 2024. Phase I was capitalized with 9% tax credit equity, hard debt, soft loans from KCDC, deferred fees, local, state and federal grants. CNI funds and other funding streams available to KCDC. The complete project 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 began in 2022 and will continue through 2028. The existing Boy's and Girl's Club as part of the Western Heights 3-1 site will be extracted from any covenants or restrictions preventing recapitalization and renovations.
- Tenant Protection Vouchers have been secured for all Western Heights residents affected by the demolition activities pursuant to CNI and Section 18 regulations.
- As part of the Western Heights Master Plan, three buildings (WH001, WH002 and WH057) consisting of 12 units were demolished during Q4 of 2022.

- Increase affordable housing choices by exploring opportunities to utilize Project-Based Rental Assistance (PBRA), Project-Based Voucher (PBV), Mainstream Vouchers, Family Unification Program (FUP) Vouchers, Veterans Affairs Supportive (VASH) Vouchers, and Agreement to Enter into A Housing Assistance Payment Contract (AHAP) Vouchers for new construction or rehabilitation activities for existing housing as well as other affordable housing programs when the opportunity arises. KCDC may explore the option of requesting an increase in KCDC's Faircloth Limit which is currently set at 2,616.
  
- In Q4 of 2024, KCDC completed construction of Liberty Place, a 32-unit apartment complex, with permanent on-site Veteran's Affairs supportive housing with a focus toward homeless veterans or veterans at risk for homelessness. All apartments are fully furnished with sixteen apartments fully ADA accessible. This project was financed with 9% tax credit equity, hard debt, local, state and federal funds/grants, deferred fees, KCDC soft loans and other sources. This project will be subject to a 20-year HUD VASH HAP contract that will provide project-based subsidy to all residents.
  
- Austin Phase II: Construction of 180 units was completed during Q3 of 2024. All units are subject to a 20-year HAP contract for project-based subsidy.
  
- Austin Phase III: KCDC began construction of six buildings, which include a total of 161 apartments. Fifty of those apartments will be designated as supportive housing for low-income elderly households. Austin Phase III is funded with 4% tax credits, MF TEBs, City of Knoxville funds, NHTF, deferred fees, KCDC soft loans, Section 202 Capital advance, hard debt and other sources. KCDC has partnered with an affiliate of Southeastern Housing Foundation who will serve as General Partner on this project.
  
- Five Points Infill: KCDC began construction of ten single-family homes on in-fill lots in the Five Points neighborhood in late 2023. These were existing vacant lots owned by KCDC. Project-Based Voucher contracts will cover all homes in this project and will be funded with hard debt, City of Knoxville funds, deferred fees, KCDC soft loans, NHTF and other sources.
  
- Five Points Master Plan has reached the following milestones:
  - o New construction of 90 elderly/disabled units at Residences of Five Points 1 is completed and in full operation.
  - o New construction of 84 family units at Five Points II is complete and in full operation.
  - o New construction of 80 family units at Five Points III is complete and in full operation.
  - o New construction of 82 family units at Five Points IV is complete and in full operation.
  - o Five Points Master Plan Final Phase: Construction of ten single-family homes is underway with five homes completed and five remaining to be built as of the end of the calendar year 2025.
  
- Northgate Terrace: Major renovations as part of the conversion of Northgate Terrace from Low Income Public Housing to PBRA/RAD were completed in Q12024.
  
- Western Heights (3-1): KCDC utilized 4% tax credits and bonds, combined with loan funds to renovate the first phase of the Western Heights Development Plan. Upon the completion of demolition in this phase of Western Heights the total number of units were reduced from 242 to 232. Major renovations included: new roofs, new porches and doors, landscaping and improved ADA accessibility.
  
- Provide improved affordable housing living environments by designating developments or buildings for particular resident groups, such as elderly.

- As part of the First Creek at Austin Homes Phase III new construction development, KCDC development partner, Southeastern Housing Foundation, will be collaborating with KCDC to deliver resident supportive services as part of the HUD Section 202 PRAC program for 50 elderly households.
  
- Improve the quality of affordable housing by continued efforts to renovate and modernize the remaining 196 public housing units at Western Heights (3-4) Addition by utilizing the \$40 million HUD Choice Neighborhood Grant, awarded to KCDC in 2022.
  - o As part of the Choice Neighborhood implementation at Western Heights (3-4), new parks and community spaces are coming to the neighborhood and will anchor the overall community transformation.
  - o A 25-year partner at the Austin Homes site has returned to the site after reconstruction. The Lighthouse was a long-standing partner that provided social services and youth services to residents. A ribbon cutting ceremony was held in late 2023 to mark their return.
  - o KCDC has partnered with Matter Health, a Nashville-based health care company, to provide on-site health care at four high rise sites which opened in 2022 and 2023. KCDC and Matter Health will expand their partnership to include Matter Mobile, dedicated in-home primary care for smaller scattered elderly sites.
  - o Community Resource Fairs continue to be held annually to bring partner social service agencies to the sites for residents to learn about and access available services. Each Fair has 15-25 partners who provide information on health services, food access, work force and job training programs, public safety and social service programs available in the community. KCDC will continue to identify partners and provide information and opportunities to residents as appropriate.
  - o KCDC has partnered with the Department of Energy's Oak Ridge National Laboratory (ORNL) Building Technologies Division to investigate the development of a new negative carbon multifamily property. KCDC is in the early stages of exploration.
  - o A partnership has been formed between KCDC, TVA PERI, and ORNL to bring solar panels to the 32-unit Liberty Place site opened in early 2025. This will be KCDC's first development to incorporate alternative energy sources.
  - o Western Heights (3-1): Renovation of 232 units is currently ongoing. Financed with 4% LIHTCs, Multifamily tax-exempt bonds and soft loans. Renovation is expected to be completed by early 2025.
  
- Promote self-sufficiency and asset development of assisted households by continuing partnering with supportive services, organizations, and groups to assist residents with training and employment while attracting additional supportive service to increase independence for the elderly and/or families with disabilities. KCDC has applied to implement the Jobs Plus Initiative for the Western Heights community to provide employment-related services, financial incentives (income disregard) and community supportive services for participants who are employed.
  
- Ensure equal opportunity and affirmatively further fair housing by continued Fair Housing Policy training; continue affirmative measure to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, disability, sexual orientation, gender identity or marital status by participating and providing pertinent training for staff to include KCDC's Language Access Plan for Limited English Proficiency.
  
- Encouraging resident participation with Knoxville's Community Development Corporation in maintaining their property through training, education and resident initiatives.

- Streamline all programs (Section 8, LIPH, PBRA and LIHTC) to decrease dependency on HUD subsidy by increasing the usage of web-based portals for applicants and residents, decrease dependency upon paper and postage by utilizing technology resources, aligning policies and procedures across all programs where applicable, and analyze the implementation of centralized services for application processing and annual resident recertifications.

**Certifications of Compliance with  
PHA Plan and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 3/31/2024

**PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations  
including PHA Plan Elements that Have Changed**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the \_\_\_ 5-Year and/or \_\_\_ Annual PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning \_\_\_\_\_, in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments (AI) to Fair Housing Choice, or Assessment of Fair Housing (AFH) when applicable, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA provides assurance as part of this certification that:
  - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
  - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
  - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program.
7. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.
8. For PHA Plans that include a policy for site-based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);

- The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
  10. In accordance with 24 CFR § 5.105(a)(2), HUD's Equal Access Rule, the PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
  11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
  12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
  13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
  14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
  15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
  16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
  17. The PHA will keep records in accordance with 2 CFR 200.333 and facilitate an effective audit to determine compliance with program requirements.
  18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
  19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
  20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
  21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
  22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

\_\_\_\_\_  
PHA Name

\_\_\_\_\_  
PHA Number/HA Code

\_\_\_\_\_ Annual PHA Plan for Fiscal Year 20\_\_\_\_\_

\_\_\_\_\_ 5-Year PHA Plan for Fiscal Years 20\_\_\_\_\_ - 20\_\_\_\_\_

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Executive Director

Name Board Chairman

Signature



Date

Signature



Date

---

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

## Knoxville's Community Development Corporation Certification of Public Hearing

KCDC posted the Public Hearing notice on Monday, February 3, 2025, advising the 2025 Public Housing Agency Annual Plan and Five-Year Plan were available for review at the KCDC Main Office (located at 901 N. Broadway, Knoxville, TN 37917), all KCDC property offices, KCDC's Rental Assistance Office (located at 400 Harriet Tubman Street, Knoxville, TN 37915) and on KCDC's website at [www.kcdc.org](http://www.kcdc.org), until Wednesday, March 26, 2025, for the required 45-day review and comment period.

KCDC held a public hearing on Thursday, March 27, 2025, at 4:30 pm regarding the proposed Annual PHA Plan where public had an opportunity to comment. No outside attendees were present for the Public Hearing.

KCDC has not received any written comments from the public related to the proposed Annual Plan or Five-Year Plan.

24 CFR Part 905

(3) Conduct of public hearing and Resident Advisory Board Consultation. A PHA must annually conduct a public hearing and consult with the Resident Advisory Board (RAB) of the PHA to discuss the Capital Fund submission. The PHA may elect to conduct a separate annual public hearing in order to solicit public comments or to hold the annual public hearing at the same time as the hearing for the Annual PHA Plan, the 5-Year Plan, or the required annual hearing for qualified public housing authorities. The hearing must be conducted at a location that is convenient to the residents served by the PHA.

- (i) Not later than 45 days before the public hearing is to take place, the PHA must:
  - A. Make the Capital Fund submission along with the material required under this paragraph (b) available to the residents and the RAB; and
  - B. Publish a notice informing the public that the information is available for review and inspection; that a public hearing will take place on the plan; and of the date, time, and location of the hearing.
  - C. PHAs shall conduct reasonable outreach activities to encourage broad public participation in the review of the Capital Fund submission.

(4) Public and RAB comments. The PHA must consider the comments from the residents, the public, and the RAB on the Capital Fund submission, or any significant modification thereto. In submitting the final CFP 5-Year Action Plan to HUD for approval, or any significant amendment or modification to the 5-Year Action Plan to HUD for approval, the PHA must include a copy of the recommendations made by the RAB(s) and a description of the manner in which the PHA addressed these recommendations.

  
\_\_\_\_\_  
Benjamin M. Bentley, CEO/Executive Director

March 27, 2025  
\_\_\_\_\_  
Date

**Civil Rights Certification**  
**(Qualified PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB Approval No. 2577-0226  
Expires 3/31/2024

**Civil Rights Certification**

**Annual Certification and Board Resolution**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year PHA Plan, hereinafter referred to as "the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the fiscal year beginning \_\_\_\_\_ in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the mission, goals, and objectives of the public housing agency and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 *et seq.*), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.

\_\_\_\_\_  
PHA Name

\_\_\_\_\_  
PHA Number/HA Code

I hereby certify that all the statement above, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Executive Director:

Name of Board Chairperson:



3/27/25

Signature

Date



3/27/25

Signature

Date

The United States Department of Housing and Urban Development is authorized to collect the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 *et seq.*, and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. The information is collected to ensure that PHAs carry out applicable civil rights requirements.

Public reporting burden for this information collection is estimated to average 0.16 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

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 2025	Work Statement for Year 2 2026	Work Statement for Year 3 2027	Work Statement for Year 4 2028	Work Statement for Year 5 2029
	WESTERN HEIGHTS ADDITION (TN003000001)	\$443,730.00	\$360,363.00	\$360,363.00	\$83,368.00	\$83,368.00



<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 2 2026</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	WESTERN HEIGHTS ADDITION (TN003000001)			\$360,363.00
ID0000596	Admin Fees (Western)(Administration (1410)-Other)	Western Heights		\$36,036.00
ID0000597	Demo (Western)(Dwelling Unit - Demolition (1480))	Western Heights		\$324,327.00
	Subtotal of Estimated Cost			\$360,363.00







# **KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

*As of and for the Year Ended June 30, 2024*

*And Report of Independent Auditor*

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
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## 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, 2024, 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, 2024, 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 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP and Western Heights LP, which represent 98%, 99%, 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 has 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 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP and Western Heights 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Five Points 1, LP; Five Points 2, LP; Five Points 3, LP; Eastport Development, LP; Bell Street, LP; and Bell Street 3, LP; were not audited in accordance with *Government Auditing Standards*.

#### **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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 *Governmental Auditing Standards*, we have also issued our report dated December 13, 2024 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 13, 2024

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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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 – 2024

- KCDC's total Net Position increased by \$15,659,459 or 10.4% during fiscal year 2024. Net Position was \$165,695,040 and \$150,035,581 for 2024 and 2023, respectively. This increase in net position is primarily due to fixed asset construction and rehabilitation.
- Revenue increased by \$17,496,595 or 29.2% during fiscal year 2024. Revenues were \$77,488,186 and \$59,991,591 for 2024 and 2023, respectively. The increase in total revenue is primarily due to grant funding for Western Heights revitalization and Liberty Place Knoxville and Five Points Infill development.
- Expenses increased by \$3,440,188 or 5.9%. Total expenses were \$61,788,088 and \$58,347,900 for 2024 and 2023, respectively. The increase in expenses is primarily due to depreciation expense, HAP expense from increase of payment standards, and insurance, offset by a decrease in maintenance and casualty loss.

## 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, 2024

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## 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, 2024

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to prior year.

	<u>2024</u>	<u>2023</u>	<u>Net Change</u>
<b>ASSETS</b>			
Current and restricted assets	\$ 77,835,200	\$ 59,571,533	\$ 18,263,667
Capital assets, net	87,912,016	86,479,391	1,432,625
Other assets	<u>89,070,560</u>	<u>72,039,357</u>	<u>17,031,203</u>
<b>Total Assets</b>	<u>254,817,776</u>	<u>218,090,281</u>	<u>36,727,495</u>
<b>LIABILITIES</b>			
Current liabilities	19,057,089	6,875,111	12,181,978
Noncurrent liabilities	<u>65,838,148</u>	<u>56,614,500</u>	<u>9,223,648</u>
<b>Total Liabilities</b>	<u>84,895,237</u>	<u>63,489,611</u>	<u>21,405,626</u>
Deferred inflows of resources	<u>4,227,499</u>	<u>4,565,089</u>	<u>(337,590)</u>
Net Position:			
Net investment in capital assets	42,608,805	45,336,469	(2,727,664)
Restricted net position	22,169,221	9,724,158	12,445,063
Unrestricted net position	<u>100,917,014</u>	<u>94,974,954</u>	<u>5,942,060</u>
<b>Total Net Position</b>	<u>\$ 165,695,040</u>	<u>\$ 150,035,581</u>	<u>\$ 15,659,459</u>

For more detailed information see the Statement of Net Position.

**Major Factors Affecting the Statement of Net Position**

Total Assets increased by \$36,727,495 primarily due to investments in capital asset construction and rehabilitation and notes receivable related to development activities.

Total Liabilities increased by \$21,405,626 primarily due to capital investment funding related to rehabilitation and development activities and initiatives supporting KCDC's mission and the City's development activities.

Total Net Position increased by \$15,629,459. This increase is the result of excess revenues over operating expenses for 2024, 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, 2024*

**Change in Unrestricted Net Position**

Unrestricted net position at June 30, 2023	\$ 94,974,954
Results of operations - year ended June 30, 2024	15,659,459
Changes in net position restrictions:	
Restricted net position	(12,445,063)
Net investment in capital assets	<u>2,727,664</u>
Total Unrestricted Net Position at June 30, 2024	<u>\$ 100,917,014</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>2024</u>	<u>2023</u>	<u>Net Change</u>
Revenues:			
Tenant rents/other	\$ 6,343,491	\$ 5,353,539	\$ 989,952
Grants	56,688,151	42,767,343	13,920,808
Interest income	2,569,691	1,324,568	1,245,123
Other revenues	<u>11,886,853</u>	<u>10,546,141</u>	<u>1,340,712</u>
Total Revenues	<u>77,488,186</u>	<u>59,991,591</u>	<u>17,496,595</u>
Expenses:			
Administrative	11,625,589	11,487,475	138,114
Tenant services	575,307	588,315	(13,008)
Utilities	3,584,849	3,690,650	(105,801)
Maintenance	5,365,657	6,270,800	(905,143)
Protective services	372,875	398,852	(25,977)
General and insurance	3,646,088	1,797,294	1,848,794
Interest and amortization	1,430,009	1,301,421	128,588
Extraordinary maintenance and casualty	564,050	2,005,585	(1,441,535)
Housing assistance payments	26,772,158	25,173,833	1,598,325
Depreciation and amortization	<u>7,851,506</u>	<u>5,633,675</u>	<u>2,217,831</u>
Total Expenses	<u>61,788,088</u>	<u>58,347,900</u>	<u>\$ 3,440,188</u>
Other Revenues (Expenses):			
Gain (loss) on disposition, other	<u>(40,639)</u>	<u>14,154,760</u>	<u>(14,195,399)</u>
Total Change in Net Position	<u>\$ 15,659,459</u>	<u>\$ 15,798,451</u>	<u>\$ (138,992)</u>

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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## 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, 2024, 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, 2024, KCDC had \$87,912,016 invested in a variety of capital assets as reflected in the following schedule, which represents an increase of \$1,432,625 from the end of the prior year. This net increase is attributable to land acquisition and new construction of KCDC-owned dwelling units.

## 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>2024</u>	<u>2023</u>	<u>Net Change</u>
Land	\$ 13,442,615	\$ 12,551,413	\$ 891,202
Buildings	180,375,262	174,117,740	6,257,522
Furniture/equipment	5,899,378	2,658,548	3,240,830
Infrastructure	10,503,985	8,684,879	1,819,106
Construction in process	9,582,062	12,506,591	(2,924,529)
Accumulated depreciation	(132,543,751)	(125,065,980)	(7,477,771)
Right-to-use subscription asset	1,864,406	1,864,406	-
Accumulated amortization	(1,211,941)	(838,206)	(373,735)
Total Capital Assets	<u>\$ 87,912,016</u>	<u>\$ 86,479,391</u>	<u>\$ 1,432,625</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2024

**Change in Capital Assets**

	<b>Historical Cost</b>	<b>Accumulated Depreciation and Amortization</b>	<b>Net</b>
Balance at June 30, 2023	\$ 212,383,577	\$ 125,904,186	\$ 86,479,391
Additions	11,880,563	7,851,506	4,029,057
Dispositions	(2,596,432)	-	(2,596,432)
Balance at June 30, 2024	<u>\$ 221,667,708</u>	<u>\$ 133,755,692</u>	<u>\$ 87,912,016</u>

**Debt Outstanding**

For the year ended June 30, 2024, KCDC had \$75,570,400 in debt (bonds, notes, etc.) outstanding compared to \$53,309,289 last year, showing a \$22,261,111 increase, which is the net of a \$23,288,937 increase in notes payable related to construction activities, and a \$1,027,826 decrease from extinguishment of capital debt.

**Outstanding Debt, at Year-End**

	<b>2024</b>	<b>2023</b>	<b>Net Change</b>
<b>Debt:</b>			
Current portion	\$ 11,263,914	\$ 1,158,169	\$ 10,105,745
Long term portion	64,306,486	52,151,120	12,155,366
Total Debt	<u>\$ 75,570,400</u>	<u>\$ 53,309,289</u>	<u>\$ 22,261,111</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, P.O. Box 3550, Knoxville, TN 37927-3550 or by email to [nwhite@kcdc.org](mailto:nwhite@kcdc.org) or to [rbrown@kcdc.org](mailto:rbrown@kcdc.org).

## **Roster of Board Members**

Chairman: Kimberly Henry  
Vice Chairman: Scott Broyles  
Secretary: Benjamin M. Bentley  
Treasurer: Felix Harris

Commissioner: Becky Wade  
Commissioner: Bob Whetsel  
Commissioner: John Winemiller  
Resident Commissioner: Kathy Hill

## **Roster of Management Officials**

Benjamin M. Bentley, Executive Director/CEO  
Nancy White, Chief Financial Officer  
Sabrina Draplin, Vice President of Housing  
Jim Hatfield, Vice President of Redevelopment/Legal Services  
Marisa A. Moazen, Vice President of Policy/Strategic Partnerships  
Jim Barker, Vice President of Administration

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF NET POSITION**

JUNE 30, 2024

	<u>Business Type Activities</u>	<u>Discretely Presented Component Units</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents, unrestricted	\$ 7,785,886	\$ 2,410,589
Cash and cash equivalents, restricted	30,806,195	22,948,811
Investments, unrestricted	14,164,138	-
Investments, restricted	-	22,200,478
Accounts receivable, net of allowance	18,215,883	1,397,200
Due from other governments	5,353,303	508,270
Inventories	17,445	56,233
Prepaid expense	858,900	553,054
Lease receivable	349,560	-
Assets held for conveyance	283,890	-
Total Current Assets	<u>77,835,200</u>	<u>50,074,635</u>
Noncurrent Assets:		
Lease receivable	3,877,939	-
Notes and mortgages receivable	58,065,743	-
Total Other Noncurrent Assets	<u>61,943,682</u>	<u>-</u>
Capital Assets:		
Nondepreciable	23,024,677	56,225,087
Depreciable, net	64,887,339	126,002,451
Total Capital Assets, Net	<u>87,912,016</u>	<u>182,227,538</u>
Other Noncurrent Assets:		
Interest receivable	5,129,485	-
Assets held for conveyance	17,658,711	-
Other noncurrent assets	4,338,682	4,916,703
Total Other Noncurrent Assets	<u>27,126,878</u>	<u>4,916,703</u>
Total Noncurrent Assets	<u>176,982,576</u>	<u>187,144,241</u>
Total Assets	<u>254,817,776</u>	<u>237,218,876</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 254,817,776</u>	<u>\$ 237,218,876</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, 2024

	<b>Business Type Activities</b>	<b>Discretely Presented Component Units</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Vendors and contractors payable	\$ 2,245,177	\$ 4,188,194
Accrued wages/taxes payable	428,468	56,582
Accrued compensated absences	680,674	-
Accrued interest payable	105,880	4,469,040
Due to other governments	208,390	60,907
Unearned revenue	1,202,269	207,865
Notes and bonds payable	11,263,914	608,101
Other current liabilities	2,123,956	9,666,278
Subscription liability	409,545	-
Resident security deposits	388,816	275,602
<b>Total Current Liabilities</b>	<b>19,057,089</b>	<b>19,532,569</b>
Noncurrent Liabilities:		
Notes and bonds payable	64,306,486	106,385,577
Related party notes payable	-	40,729,737
Accrued compensated absences	1,381,974	-
Subscription liability	5,816	-
Other accrued liabilities	143,872	498,185
<b>Total Noncurrent Liabilities</b>	<b>65,838,148</b>	<b>147,613,499</b>
<b>Total Liabilities</b>	<b>84,895,237</b>	<b>167,146,068</b>
Deferred inflows of resources	4,227,499	-
<b>Total Liabilities And Deferred Inflows Of Resources</b>	<b>89,122,736</b>	<b>167,146,068</b>
Net Position:		
Net investment in capital assets	42,608,805	62,516,112
Restricted	22,169,221	6,712,134
Unrestricted	100,917,014	844,562
<b>Total Net Position</b>	<b>165,695,040</b>	<b>70,072,808</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 254,817,776</b>	<b>\$ 237,218,876</b>

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, 2024

	<b>Business Type Activities</b>	<b>Discretely Presented Component Units</b>
Operating Revenues:		
Rental revenue	\$ 5,635,901	\$ 4,535,798
Fee revenue	707,590	-
HUD grants	45,798,143	-
Other governmental grants	10,890,008	7,886,605
Other revenue	11,870,562	51,433
Total Operating Revenues	<u>74,902,204</u>	<u>12,473,836</u>
Operating Expenses:		
Administrative	11,625,589	2,450,116
Tenant services	575,307	37,650
Utilities	3,584,849	1,910,873
Ordinary maintenance and operation	5,365,657	2,542,224
Protective services	372,875	237,734
Insurance	783,881	795,233
General expenses	2,862,207	367,822
Housing assistance payments	26,772,158	-
Depreciation and amortization	7,851,506	4,130,214
Total Operating Expenses	<u>59,794,029</u>	<u>12,471,866</u>
Net Operating Income	<u>15,108,175</u>	<u>1,970</u>
Nonoperating Revenues (Expenses):		
Interest revenue, unrestricted	2,393,638	1,533,806
Interest revenue, restricted	176,053	14,118
Interest expense	(1,430,009)	(3,286,776)
Fraud recovery	16,291	7,514
Extraordinary maintenance and casualty	(564,050)	-
Other nonoperating expenses	-	(126,743)
Loss on disposition of capital assets and land held for conveyance	(40,639)	-
Total Nonoperating Revenues (Expenses), Net	<u>551,284</u>	<u>(1,858,081)</u>
Income (loss) before contributions	15,659,459	(1,856,111)
Capital contributions	-	15,163,118
Change in net position	<u>15,659,459</u>	<u>13,307,007</u>
Net position, beginning of year	<u>150,035,581</u>	<u>56,765,801</u>
Net position, end of year	<u>\$ 165,695,040</u>	<u>\$ 70,072,808</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, 2024

<b>Cash flows from operating activities:</b>	
Receipts from dwelling rentals	\$ 6,516,928
Operating grants	53,171,637
Receipts from fees	707,590
Other receipts	11,912,004
Payments to employees and suppliers	(34,010,097)
Payments to landlords and residents	(26,772,158)
Net cash flows from operating activities	<u>11,525,904</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	(11,841,757)
Acquisition of assets held for conveyance	(17,612,600)
Proceeds from sale of assets	41,442
Proceeds from capital debt	23,288,937
Proceeds from leases receivable	337,590
Interest received from leases receivable	125,337
Principal paid on capital debt	(967,826)
Interest paid on capital debt	(1,443,637)
Principal paid on subscription asset	(379,152)
Interest paid on subscription asset	(25,668)
Extraordinary maintenance and other	(547,759)
Net cash flows from capital and related financing activities	<u>(9,025,093)</u>
<b>Cash flows from investing activities:</b>	
Interest received	1,419,876
Purchases of investments	(3,275,183)
Payments received on notes receivable	(4,159,943)
Proceeds from notes receivable	4,844,842
Net cash flows from investing activities	<u>(1,170,408)</u>
Change in cash and cash equivalents	1,330,403
Cash, beginning of year	<u>37,261,678</u>
Cash, end of year	<u>\$ 38,592,081</u>
<b>Reconciliation of cash to the statement of net position:</b>	
Cash and cash equivalents, unrestricted	\$ 7,785,886
Cash and cash equivalents, restricted	<u>30,806,195</u>
	<u>\$ 38,592,081</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, 2024*

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<b>Operating income:</b>	\$ 15,108,175
Adjustments to reconcile net operating income to net cash flows from operating activities:	
Depreciation and amortization	7,851,506
Loss of disposal of fixed assets	40,639
Bad debt expense	457,994
Changes in assets and liabilities	
Accounts receivable	(10,144,965)
Inventory	148,314
Other governments	(3,635,366)
Prepaid expenses	(463,314)
Other assets	-
Accounts payable	(390,962)
Accrued wages	135,477
Accrued compensated absences	64,505
Due to other governments	118,852
Unearned revenue	808,321
Other accrued liabilities	1,365,189
Security deposits	61,539
Net cash flows from operating activities	<u>\$ 11,525,904</u>
<b>Noncash reconciling items:</b>	
Net book value of assets transferred to tax credit properties	<u>\$ 2,596,432</u>
Transfer of assets held for sale to capital assets	<u>\$ 51,300</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, 2024

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### 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 2.
- 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 and Clifton Road Apartments.
- 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, 2024

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### 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. Pre-development activity has begun but has not begun leasing as of June 30, 2024.
- 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. Predevelopment activities have begun as of June 30, 2024.
- 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.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### Note 1—Nature of the organization and operations (continued)

- 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.
- 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. Pre-development activity has begun but has not begun leasing as of June 30, 2024.
- 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, 2024.
- 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, 2024.
- 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.

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.

### Discretely presented component units

As of June 30, 2024, KCDC recognized cumulatively twelve 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.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

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**Note 1—Nature of the organization and operations (continued)**

- 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.
- 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 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.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 1—Nature of the organization and operations (continued)**

- 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.
- Liberty Place 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.

### **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, 2024, 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.
- Entrepreneurial Activities is a program which provides technical assistance to other PHA's and local governments.
- 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 and programs related to the management of COVID-19 related grants from FEMA and HUD.
- KCDC became a Moving to Work (MTW) agency during the year ended June 30, 2024. Designation as a MTW agency provides funding flexibility. KCDC received HUD approval of its funding flexibility plan during the year and did not utilize its approved funding flexibility for the year then ended.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### 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.

*Inventories* – Inventories consisting of materials and supplies are valued at cost using the moving average method. If inventory falls below cost due to damage, deterioration, or obsolescence, KCDC establishes an allowance for obsolete inventory. KCDC relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with the consumption method, inventory is expensed when items are placed in service.

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**Note 2—Summary of significant accounting policies (continued)**

*Prepaid Items* – Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

**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, 2024, 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, 2024.

*Lease Receivable and Deferred Inflows of Resources* – 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.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 2—Summary of significant accounting policies (continued)**

*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* – Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of KCDC and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of KCDC and its employees are accounted for in the period in which such services are rendered or in which such events take place.

*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.

### **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, 2024

**Note 3—Deposits and investments (continued)**

*Deposit and Investment Risks* – KCDC held the following deposit and investments at June 30, 2024:

**Deposits**

Unrestricted	\$ 7,785,886
Restricted other	30,303,223
Restricted for tenant security deposits	396,729
Restricted for payment of current liabilities	<u>106,243</u>
Total cash demand deposits	<u>\$ 38,592,081</u>

**Investments**

Investment	Maturity Date	Value Principal Paid 6/30/2024	Fair Market Value 6/30/2024	Moody's Rating	S & P Rating	Callable
CD	7/5/2024	\$ 250,000	\$ 249,768	NR	NR	NO
CD	10/30/2024	250,000	249,893	NR	NR	NO
CD	10/30/2024	250,000	249,933	NR	NR	NO
CD	1/22/2025	250,000	249,048	NR	NR	NO
CD	7/9/2024	250,000	247,855	NR	NR	NO
CD	8/11/2025	250,000	248,455	NR	NR	NO
US TREAS NTS	8/15/2024	495,118	496,905	AAA	NR	NO
US TREAS NTS	9/15/2024	498,700	494,920	AAA	NR	NO
US TREAS NTS	10/15/2024	499,195	493,165	AAA	NR	NO
US TREAS NTS	11/15/2024	999,980	983,070	AAA	NR	NO
US TREAS NTS	12/15/2024	998,790	980,750	AAA	NR	NO
US TREAS NTS	1/15/2025	646,425	635,700	AAA	NR	NO
US TREAS NTS	2/15/2025	248,257	244,153	AAA	NR	NO
US TREAS NTS	3/31/2025	247,720	245,293	AAA	NR	NO
US TREAS NTS	4/30/2025	248,998	245,305	AAA	NR	NO
US TREAS NTS	5/31/2025	248,880	244,855	AAA	NR	NO
US TREAS NTS	6/15/2025	<u>248,823</u>	<u>244,705</u>	AAA	NR	NO
<b>Total</b>		<b>6,880,886</b>	<b>6,803,770</b>			
<b>Cash and cash equivalents</b>	N/A	<u><b>7,360,368</b></u>	<u><b>7,360,368</b></u>	NR	NR	NO
<b>Total securities</b>		<u><b>\$ 14,241,254</b></u>	<u><b>\$ 14,164,138</b></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.

*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.

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 3—Deposits and investments (continued)**

KCDC has the following recurring fair value measurements as of June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposits	\$ 1,494,952	\$ 1,494,952	\$ -	\$ -
Cash equivalents	501,660	501,660	-	-
Money markets	6,858,705	6,858,705	-	-
U.S. treasury securities	5,308,821	-	5,308,821	-
	<u>\$ 14,164,138</u>	<u>\$ 8,855,317</u>	<u>\$ 5,308,821</u>	<u>\$ -</u>

Restricted and unrestricted cash and investments:

Low income public housing:

    Restricted for tenant security deposits \$ 8,333

Housing choice voucher:

    Restricted for housing assistance payments equity and noncurrent liabilities 244,686

    Restricted for payment of current liabilities 106,243

Mainstream voucher:

    Restricted for housing assistance payments equity 11,920

Emergency housing voucher:

    Restricted for FSS escrow deposits 107,153

Mod Rehabilitation:

    Restricted for housing assistance payments equity 672

Blended component unit:

    Restricted for modernization and development 17,561,378

    Restricted for replacement reserve 2,928,407

    Restricted for tenant security deposits 168,426

Section 8 special allocation:

    Restricted for operating reserve 100,347

    Restricted for rehab escrow 6,283,142

    Restricted for tenant security deposits 219,970

State/local:

    Restricted for modernization and development 3,065,518

    Total restricted demand deposits 30,806,195

    Unrestricted cash 7,785,886

Unrestricted investments 14,164,138

    Total unrestricted cash and investments 21,950,024

    Total restricted and unrestricted cash and investments \$ 52,756,219

*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, 2024

### 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, 2024, 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, 2024, the investments held by KCDC mature July 5, 2024 through June 15, 2025. 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	\$ 4,532,414
Tenant accounts receivable, net of allowance of \$463,608	441,477
Due from affiliates	8,755,485
Other	4,486,507
Total accounts receivable	<u>\$ 18,215,883</u>

### Note 5—Due from other governments

HUD	\$ 4,633,550
Local governments	719,753
Total due from other governments	<u>\$ 5,353,303</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**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 \$17,658,711. The current portion is \$283,890.

**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 I, LP	538,736
Five Points II, LP	2,327,136
Five Points III, LP	1,407,879
Five Points IV, LP	2,602,749
Bell Street, LP	523,277
Bell Street 2, LP	2,019,699
Bell Street 3, LP	6,774,911
Western Heights, LP	17,805,000
Western Heights 1, LP	163,185
Liberty Place Knoxville, LP	1,977,058
	<hr/>
Total notes and mortgages receivable	<u>\$ 58,065,743</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, 2024 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, 2024*

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**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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024, the principal balance outstanding was \$2,057,050.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**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, 2024, 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, 2024, 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, 2024, 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, 2024, the principal balance outstanding was \$538,736.

*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, 2024, 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, 2024, the principal balance outstanding was \$1,035,959.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### 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, 2024, 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, 2024, 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, 2024, 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, 2024, the principal balance outstanding was \$2,602,749.

*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, 2024, the principal balance outstanding was \$523,277.

*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, 2024, the principal balance outstanding was \$2,019,699.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

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**Note 7—Notes and mortgages receivable (continued)**

*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, 2024, 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, 2024, the principal balance outstanding was \$450,000.

*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, 2024, 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, 2024, the principal balance outstanding was \$6,305,000.

*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, 2024, the principal balance outstanding was \$163,185.

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 7—Notes and mortgages receivable (continued)**

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, 2024, the principal balance outstanding was \$1,976,357.

**Note 8—Land, buildings, and equipment**

	Balance 7/1/2023	Additions	Adjustments/ Disposals	Transfers	Balance 6/30/2024
Nondepreciable:					
Land	\$ 12,551,413	\$ 979,800	\$ (88,598)	\$ -	\$ 13,442,615
Construction in progress	12,506,591	10,449,297	(2,507,834)	(10,865,992)	9,582,062
Total Nondepreciable	25,058,004	11,429,097	(2,596,432)	(10,865,992)	23,024,677
Depreciable:					
Buildings & improvements	174,117,740	394,002	-	5,863,520	180,375,262
Infrastructure	8,684,879	20,760	-	1,798,346	10,503,985
Accumulated depreciation	(123,536,971)	(6,826,438)	-	-	(130,363,409)
Net buildings and improvements	59,265,648	(6,411,676)	-	7,661,866	60,515,838
Equipment:	2,658,548	36,704	-	3,204,126	5,899,378
Accumulated depreciation	(1,529,009)	(651,333)	-	-	(2,180,342)
Net equipment	1,129,539	(614,629)	-	3,204,126	3,719,036
Net depreciable assets	60,395,187	(7,026,305)	-	10,865,992	64,234,874
Right-to-use:					
Right-to-use subscription asset	1,864,406	-	-	-	1,864,406
Accumulated amortization	(838,206)	(373,735)	-	-	(1,211,941)
Net right-to-use assets	1,026,200	(373,735)	-	-	652,465
Other noncurrent assets:					
	\$ 86,479,391	\$ 4,029,057	\$ (2,596,432)	\$ -	\$ 87,912,016

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 9—Unearned revenue**

Unearned Revenue:

HCV administration fees	\$ 77,510
Tenant prepaid rents	216,208
Resident association funds	84,277
Other	<u>824,274</u>
Total unearned revenue	<u>\$ 1,202,269</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	\$ 17,497	\$ 126,802	\$ 440,902	\$ 567,704	\$ 681
2	213,988	433,333	5,994,445	6,427,778	8,708
3	-	248,699	-	248,699	-
4	8,227	63,065	82,871	145,936	738
5	75,682	39,462	1,602,056	1,641,518	6,157
6	135,330	75,679	4,103,737	4,179,416	10,275
7	89,801	58,191	3,180,382	3,238,573	7,962
8	423,802	182,747	10,074,127	10,256,874	34,993
9	-	60,000	960,000	1,020,000	-
10	270,727	240,829	10,978,401	11,219,230	22,345
11	169,287	135,722	5,750,013	5,885,735	13,735
12	-	-	450,000	450,000	-
13	-	-	10,500,000	10,500,000	-
14	-	9,599,385	10,189,552	19,788,937	-
	<u>\$ 1,404,341</u>	<u>\$ 11,263,914</u>	<u>\$ 64,306,486</u>	<u>\$ 75,570,400</u>	<u>\$ 105,594</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, 2024 is \$567,704.
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, 2024 is \$6,427,778.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**Note 10—Notes payable (continued)**

3. *HUD Forgivable Loan* – On March 31, 2008, KCDC purchased Valley Oaks Apartments, a Section 8 project-based property from Knox Housing Partnership in the amount of \$63,977. As a condition of the sale, KCDC assumed a forgivable note as detailed below:

On August 29, 1994, Knox Housing Partnership purchased Valley Oaks Apartments from HUD for a cost of \$1. In exchange for this bargain purchase price, the Partnership agreed to maintain the property as rental or cooperative housing for a period of thirty years. Because of stipulations in the purchase contract, the project recorded the apartment buildings and land at their fair market value of \$497,400 less the cost of \$1 actually paid. As the HUD requirements are met for the purchase of this property at the bargain price, the Forgivable HUD Advance in the amount of \$497,399 will be reduced and a HUD contribution recognized as follows:

25% of the \$497,399 or \$124,350 on August 30, 2004

25% of the \$497,399 or \$124,350 on August 30, 2014

50% of the \$497,399 or \$248,699 on August 30, 2024

The outstanding balance as of June 30, 2024 is \$248,699.

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, 2024 is \$145,936.
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, 2024 is \$1,641,518.
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, 2024 is \$4,179,416.
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, 2024 is \$3,238,573.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**Note 10—Notes payable (continued)**

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, 2024 is \$10,256,874.
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, 2024 is \$1,020,000.
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, 2024 is \$11,219,230.
11. *Home Federal* – On September 2, 2021, KCDC 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, 2024. 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, 2024 is \$5,885,735.
12. *Tennessee Housing Trust* – On December 1, 2021, KCDC entered into a deferred payment loan with Tennessee Housing Development Agency in the amount of \$450,000. 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, 2024 is \$450,000.
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, 2024 is \$10,500,000.
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, 2024, is \$19,788,937.

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 10—Notes payable (continued)**

Debt amortization is as follows:

	<u>Truist</u>	<u>Pinnacle</u>	<u>HUD</u>	<u>First Horizon</u>	<u>Home Federal</u>
2025	\$ 126,802	\$ 433,333	\$ 248,699	\$ 63,065	\$ 39,462
2026	130,555	433,333	-	66,037	51,422
2027	134,419	433,333	-	16,834	53,377
2028	138,240	433,333	-	-	55,752
2029	37,688	433,333	-	-	1,441,505
2030-2034	-	2,166,667	-	-	-
2035-2039	-	2,094,446	-	-	-
2040-2044	-	-	-	-	-
2045-2049	-	-	-	-	-
2050-2054	-	-	-	-	-
2055-2059	-	-	-	-	-
	<u>\$ 567,704</u>	<u>\$ 6,427,778</u>	<u>\$ 248,699</u>	<u>\$ 145,936</u>	<u>\$ 1,641,518</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 10—Notes payable (continued)**

	<u>Home Federal</u>	<u>Home Federal</u>	<u>Walker Dunlop</u>	<u>City of Knoxville</u>	<u>Walker Dunlop</u>
2025	\$ 75,679	\$ 58,191	\$ 182,747	\$ 60,000	\$ 240,829
2026	78,294	60,204	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
2030-2034	467,573	359,538	1,218,928	300,000	1,424,008
2035-2039	541,788	416,605	1,523,356	300,000	1,604,571
2040-2044	627,783	482,730	1,841,690	120,000	1,808,029
2045-2049	727,427	559,351	2,259,931	-	2,037,286
2050-2054	1,411,662	1,110,325	2,419,626	-	2,295,613
2055-2059	-	-	-	-	785,959
	<u>\$ 4,179,416</u>	<u>\$ 3,238,573</u>	<u>\$ 10,256,874</u>	<u>\$ 1,020,000</u>	<u>\$ 11,219,230</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 10—Notes payable (continued)**

	<u>Home Federal</u>	<u>Tennessee Housing Trust</u>	<u>City of Knoxville</u>	<u>Regions</u>	<u>Total</u>
2025	\$ 135,722	\$ -	\$ -	\$ 9,599,385	\$ 11,263,914
2026	140,587	100,000	700,000	599,385	2,856,848
2027	144,715	100,000	700,000	599,385	2,835,647
2028	148,675	100,000	700,000	599,385	2,847,625
2029	152,891	100,000	700,000	599,385	4,156,317
2030-2034	832,014	50,000	3,500,000	2,996,925	13,315,653
2035-2039	4,331,131	-	3,500,000	2,996,925	17,308,822
2040-2044	-	-	700,000	1,798,162	7,378,394
2045-2049	-	-	-	-	5,583,995
2050-2054	-	-	-	-	7,237,226
2055-2059	-	-	-	-	785,959
	<u>\$ 5,885,735</u>	<u>\$ 450,000</u>	<u>\$ 10,500,000</u>	<u>\$ 19,788,937</u>	<u>\$ 75,570,400</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, 2024 which have been issued by KCDC:

TIF Project	Redevelopment Plan Area	Approval Date	TIF Amount	June 30, 2024	
				Balance	Project Total
1 Commerce Bldg	Jackson/Depot	1/20/2006	\$ 735,000	\$ 7,236	\$ 6,100,000
2 Cityview at Riverwalk	Old Knoxville Glove Factory	9/21/2006	2,800,000	-	27,550,330
3 Mast General	Gay Street	8/3/2007	1,441,802	374,580	6,401,000
4 N Central Village	Downtown North/I 275 Corridor	6/26/2007	200,000	-	2,031,639
5 Brownlow School	Brownlow School	9/12/2008	542,284	-	5,450,000
6 SE Glass Bldg	Jackson/Depot	5/27/2009	460,123	15,199	4,103,976
7 500 Block	Gay Street	9/12/2008	812,500	13,999	4,908,189
8 5th Ave	Downtown North/ 275 Corridor	11/13/2009	356,000	27,456	3,734,762
9 Daylight Bldg	Central Business District West	10/1/2009	959,000	190,387	6,745,000
10 Landings Ph1	Northside Waterfront	2/17/2010	1,500,000	58,948	28,240,321
11 Harold's Bldg	Jackson/Depot	4/15/2010	129,000	12,939	847,866
12 Arnstein Bldg	Historic Market Square	12/20/2011	1,145,000	228,192	8,515,000
13 University Commons	University Commons	12/21/2012	10,000,000	6,947,345	62,000,000
14 Landings Ph2	Northside Waterfront	12/31/2012	715,000	293,235	See item 18
15 JC Penney Bldg	Gay Street	11/14/2013	1,150,000	502,763	7,361,000
16 Magnolia Urban Village	Jackson/Depot	8/4/2014	225,000	67,870	2,100,000
17 Next Step Development	District	12/1/2015	539,000	288,119	4,792,939
18 MEWS2	Central Business District West	6/23/2016	350,000	247,187	3,480,000
19 DRT Tombras	Gay Street	6/30/2016	1,650,000	1,244,371	9,700,000
20 Riverwalk	South Waterfront	12/29/2016	22,000,000	12,385,534	139,000,000
21 Regas Bldg	Jackson/Depot	1/27/2017	4,950,000	3,647,368	35,101,798
22 South Waterfront	South Waterfront	9/21/2023	30,000,000	19,788,937	139,000,000

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**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. Accordingly, this debt has not been recorded in the basic financial statements of KCDC. Additionally, HUD no longer provides debt service information to KCDC.

**Note 11—Other liabilities**

	<u>Current</u>	<u>Long-Term</u>
FSS participant escrows	\$ 106,243	\$ 143,872
Utilities	391,673	-
Other liabilities	1,626,040	-
Total other liabilities	<u>\$ 2,123,956</u>	<u>\$ 143,872</u>

**Note 12—Schedule of changes in noncurrent liabilities**

	<u>Balance at 6/30/23</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance at 6/30/24</u>
Notes payable	\$ 52,151,120	\$ 13,689,552	\$ (1,534,186)	\$ 64,306,486
Compensated absences	1,666,175	711,217	(995,418)	1,381,974
Subscription liability	415,361	-	(409,545)	5,816
Other long term liabilities	2,381,844	50,597	(2,288,569)	143,872
	<u>\$ 56,614,500</u>	<u>\$ 14,451,366</u>	<u>\$ (5,227,718)</u>	<u>\$ 65,838,148</u>

**Note 13—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, 2024 were \$1,543,166. HUD also contributed additional funds through the Capital fund for modernization and operations in the amount of \$4,611,551.

*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.

HUD Section 8 contributions for the year ended June 30, 2024 were as follows:

Housing choice vouchers cluster	\$ 29,303,157
Section 8 project-based special allocations (multi-family)	343,560
Other section 8 programs	90,259
	<u>\$ 29,736,976</u>

*Other Federal Revenue* – Other federal revenues for the year ended June 30, 2024 are reported on the Schedule of expenditures of Federal Awards schedule contained in this report.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 14—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 5 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 2024 was \$8,233,951. Payroll covered by the pension plan was \$7,778,377. KCDC made the required contributions amounting to \$798,731, and employees made elective contributions of \$23,745.

### **Note 15—Post-employment 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-line at [www.nrsforu.com](http://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.

### **Note 16—Economic dependency**

KCDC receives approximately 57% 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 17—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.

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 18—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 \$1,216,492 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 19—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.

**Note 20—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, 2024, the KCDC’s lease receivable and related deferred inflow balance were both \$4,227,999. No variable payments were received.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 349,560	\$ 115,465	\$ 465,025
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
2030-2034	1,380,132	233,169	1,613,301
2035-2038	988,133	49,167	1,037,300
	<u>\$ 4,227,499</u>	<u>\$ 754,231</u>	<u>\$ 4,981,730</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 21—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 22—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 5 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, 2024, the value of the subscription liability was \$376,039.

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 3 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, 2024, the value of the subscription liability as \$39,322.

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>
2025	\$ 409,545	\$ 12,972	\$ 422,517
2026	5,816	51	5,867
	<u>\$ 415,361</u>	<u>\$ 13,023</u>	<u>\$ 428,384</u>

**Note 23—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, 2024, the bonds have an aggregate outstanding principal amount payable as follows:

Willow Place	\$ 30,000,000
Grosvenor Square	19,000,000
	<u>\$ 49,000,000</u>

**Note 24—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 the date of the Independent Auditors Report 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.

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units**

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street 1 Corp	Bell Street 2 Corp	Bell Street 3 Corp
<b>ASSETS</b>						
Current assets	\$ 24,962,413	\$ 29,421,512	\$ -	\$ -	\$ 10,787,920	\$ 4,084,610
Capital assets, net	52,735,428	22,181,906	-	-	-	-
Noncurrent assets	17,658,711	15,228,584	-	3,599,648	-	469,016
Total Assets	<u>95,356,552</u>	<u>66,832,002</u>	<u>-</u>	<u>3,599,648</u>	<u>10,787,920</u>	<u>4,553,626</u>
Deferred outflows of resources	-	-	-	-	-	-
Total Assets And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows Of Resources	<u>\$ 95,356,552</u>	<u>\$ 66,832,002</u>	<u>\$ -</u>	<u>\$ 3,599,648</u>	<u>\$ 10,787,920</u>	<u>\$ 4,553,626</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 13,331,864	\$ 3,812,234	\$ -	\$ -	\$ -	\$ 63,560
Noncurrent liabilities	24,937,941	19,339,778	-	-	-	450,000
Total Liabilities	38,269,805	23,152,012	-	-	-	513,560
Deferred inflows of resources	-	4,227,499	-	-	-	-
Total Liabilities And Deferred	<u>-</u>	<u>4,227,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Inflows Of Resources	<u>\$ 38,269,805</u>	<u>\$ 27,379,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,560</u>
<b>Net position</b>						
Net investment in capital assets	\$ 39,944,346	\$ 11,680,354	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	8,959,770	141,784	-	-	9,260,462	-
Unrestricted net position (deficit)	8,182,631	27,630,353	-	3,599,648	1,527,458	4,040,066
Total Net Position	<u>\$ 57,086,747</u>	<u>\$ 39,452,491</u>	<u>\$ -</u>	<u>\$ 3,599,648</u>	<u>\$ 10,787,920</u>	<u>\$ 4,040,066</u>
Total Liabilities, Deferred Inflows of	<u>-</u>	<u>4,227,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources And Net Position	<u>\$ 95,356,552</u>	<u>\$ 66,832,002</u>	<u>\$ -</u>	<u>\$ 3,599,648</u>	<u>\$ 10,787,920</u>	<u>\$ 4,553,626</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	Cagle Corporation	Family Investment Foundation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation	Five Points 4 Corporation
<b>ASSETS</b>						
Current assets	\$ 2,126,179	\$ 464,411	\$ -	\$ -	\$ -	\$ -
Capital assets, net	5,972,280	-	-	-	-	-
Noncurrent assets	-	-	640,746	3,571,913	1,569,904	3,376,575
Total Assets	<u>8,098,459</u>	<u>464,411</u>	<u>640,746</u>	<u>3,571,913</u>	<u>1,569,904</u>	<u>3,376,575</u>
Deferred outflows of resources	-	-	-	-	-	-
Total Assets And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outflows Of Resources	<u>\$ 8,098,459</u>	<u>\$ 464,411</u>	<u>\$ 640,746</u>	<u>\$ 3,571,913</u>	<u>\$ 1,569,904</u>	<u>\$ 3,376,575</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 483,902	\$ 21,533	\$ -	\$ -	\$ -	\$ -
Noncurrent liabilities	11,010,552	-	-	-	-	-
Total Liabilities	11,494,454	21,533	-	-	-	-
Deferred inflows of resources	-	-	-	-	-	-
Total Liabilities And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inflows Of Resources	<u>\$ 11,494,454</u>	<u>\$ 21,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net position</b>						
Net investment in capital assets	\$ (5,246,950)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	1,422,821	-	-	-	-	-
Unrestricted net position (deficit)	428,134	442,878	640,746	3,571,913	1,569,904	3,376,575
Total net position	<u>\$ (3,395,995)</u>	<u>\$ 442,878</u>	<u>\$ 640,746</u>	<u>\$ 3,571,913</u>	<u>\$ 1,569,904</u>	<u>\$ 3,376,575</u>
Total Liabilities, Deferred Inflows of	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources And Net Position	<u>\$ 8,098,459</u>	<u>\$ 464,411</u>	<u>\$ 640,746</u>	<u>\$ 3,571,913</u>	<u>\$ 1,569,904</u>	<u>\$ 3,376,575</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation	Moss Grove GP Corp
<b>ASSETS</b>						
Current assets	\$ -	\$ 222,301	\$ -	\$ -	\$ 490,022	\$ -
Capital assets, net	-	-	-	-	200	-
Noncurrent assets	(558)	-	(558)	52	697,880	-
Total Assets	(558)	222,301	(558)	52	1,188,102	-
Deferred outflows of resources	-	-	-	-	-	-
Total Assets And Deferred	-	-	-	-	-	-
Outflows Of Resources	\$ (558)	\$ 222,301	\$ (558)	\$ 52	\$ 1,188,102	\$ -
<b>LIABILITIES</b>						
Current liabilities	\$ -	\$ 20,000	\$ -	\$ -	\$ 4,000	\$ -
Noncurrent liabilities	-	-	-	-	-	-
Total Liabilities	-	20,000	-	-	4,000	-
Deferred inflows of resources	-	-	-	-	-	-
Total Liabilities And Deferred	-	-	-	-	-	-
Inflows Of Resources	\$ -	\$ 20,000	\$ -	\$ -	\$ 4,000	\$ -
<b>Net position</b>						
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -
Restricted by program requirements	-	-	-	-	-	-
Unrestricted net position (deficit)	(558)	202,301	(558)	52	1,183,902	-
Total net position	\$ (558)	\$ 202,301	\$ (558)	\$ 52	\$ 1,184,102	\$ -
Total Liabilities, Deferred Inflows of	-	-	-	-	-	-
Resources And Net Position	\$ (558)	\$ 222,301	\$ (558)	\$ 52	\$ 1,188,102	\$ -

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 25—Blended component units (continued)**

	<b>Montgomery Village Corporation</b>	<b>Passport Homes Corporation</b>	<b>Passport Development Corporation</b>	<b>Sutherland 1 GP Corporation</b>	<b>Sutherland 2 GP Corporation</b>	<b>Western Heights 1 GP Corporation</b>
<b>ASSETS</b>						
Current assets	\$ 2,701,371	\$ -	\$ -	\$ -	\$ -	\$ 557,743
Capital assets, net	5,868,071	-	-	-	-	2,527
Noncurrent assets	-	19,500,979	4,921,074	10,525	20,984	-
Total Assets	<u>8,569,442</u>	<u>19,500,979</u>	<u>4,921,074</u>	<u>10,525</u>	<u>20,984</u>	<u>560,270</u>
Deferred outflows of resources	-	-	-	-	-	-
Total Assets And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outflows Of Resources	<u>\$ 8,569,442</u>	<u>\$ 19,500,979</u>	<u>\$ 4,921,074</u>	<u>\$ 10,525</u>	<u>\$ 20,984</u>	<u>\$ 560,270</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 482,659	\$ -	\$ -	\$ -	\$ -	\$ 190,214
Noncurrent liabilities	10,099,877	-	-	-	-	-
Total Liabilities	10,582,536	-	-	-	-	190,214
Deferred inflows of resources	-	-	-	-	-	-
Total Liabilities And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inflows Of Resources	<u>\$ 10,582,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,214</u>
<b>Net position</b>						
Net investment in capital assets	\$ (4,388,803)	\$ -	\$ -	\$ -	\$ -	\$ (125,610)
Restricted by program requirements	2,384,384	-	-	-	-	-
Unrestricted net position (deficit)	(8,675)	19,500,979	4,921,074	10,525	20,984	495,666
Total net position	<u>\$ (2,013,094)</u>	<u>\$ 19,500,979</u>	<u>\$ 4,921,074</u>	<u>\$ 10,525</u>	<u>\$ 20,984</u>	<u>\$ 370,056</u>
Total Liabilities, Deferred Inflows of	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources And Net Position	<u>\$ 8,569,442</u>	<u>\$ 19,500,979</u>	<u>\$ 4,921,074</u>	<u>\$ 10,525</u>	<u>\$ 20,984</u>	<u>\$ 560,270</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	<b>Western Heights 2 GP Corporation</b>	<b>Western Heights 3 GP Corporation</b>	<b>Western Heights Corp</b>	<b>Young High GP Corp</b>	<b>Combined Blended Component Unit and Primary Government</b>
<b>ASSETS</b>					
Current assets	\$ -	\$ -	\$ 2,016,718	\$ -	\$ 77,835,200
Capital assets, net	391,873	350,626	409,105	-	87,912,016
Noncurrent assets	-	-	17,805,051	34	89,070,560
Total Assets	<u>391,873</u>	<u>350,626</u>	<u>20,230,874</u>	<u>34</u>	<u>254,817,776</u>
Deferred outflows of resources	-	-	-	-	-
Total Assets And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outflows Of Resources	<u>\$ 391,873</u>	<u>\$ 350,626</u>	<u>\$ 20,230,874</u>	<u>\$ 34</u>	<u>\$ 254,817,776</u>
<b>LIABILITIES</b>					
Current liabilities	\$ 353,828	\$ 291,528	\$ 1,767	\$ -	\$ 19,057,089
Noncurrent liabilities	-	-	-	-	65,838,148
Total Liabilities	<u>353,828</u>	<u>291,528</u>	<u>1,767</u>	<u>-</u>	<u>84,895,237</u>
Deferred inflows of resources	-	-	-	-	4,227,499
Total Liabilities And Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,227,499</u>
Inflows Of Resources	<u>\$ 353,828</u>	<u>\$ 291,528</u>	<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ 89,122,736</u>
<b>Net position</b>					
Net investment in capital assets	\$ 217,968	\$ 118,195	\$ 409,105	\$ -	\$ 42,608,805
Restricted by program requirements	-	-	-	-	22,169,221
Unrestricted net position (deficit)	<u>(179,923)</u>	<u>(59,097)</u>	<u>19,820,002</u>	<u>34</u>	<u>100,917,014</u>
Total net position	<u>\$ 38,045</u>	<u>\$ 59,098</u>	<u>\$ 20,229,107</u>	<u>\$ 34</u>	<u>\$ 165,695,040</u>
Total Liabilities, Deferred Inflows of	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources And Net Position	<u>\$ 391,873</u>	<u>\$ 350,626</u>	<u>\$ 20,230,874</u>	<u>\$ 34</u>	<u>\$ 254,817,776</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	<b>Primary Government Excluding Blended Component Unit</b>	<b>Knoxville Housing Development Corporation</b>	<b>Bluegrass GP Corporation</b>	<b>Bell Street 1 Corp</b>	<b>Bell Street 2 Corp</b>	<b>Bell Street 3 Corp</b>
Operating Revenues:						
Operating revenues	\$ 54,344,384	\$ 5,716,896	\$ -	\$ 1,274,031	\$ 2,519,971	\$ 676,611
Operating expenses	<u>49,525,058</u>	<u>2,128,266</u>	<u>173</u>	<u>79,250</u>	<u>(276)</u>	<u>77,519</u>
Operating Income (loss)	4,819,326	3,588,630	(173)	1,194,781	2,520,247	599,092
Non-operating revenues (expenses)	614,361	(8,344)	-	-	-	-
Transfers from (to)	<u>(11,232,201)</u>	<u>4,677,471</u>	<u>173</u>	<u>(779,845)</u>	<u>8,267,949</u>	<u>(54,418)</u>
Increase (decrease) in net position	<u>(5,798,514)</u>	<u>8,257,757</u>	<u>-</u>	<u>414,936</u>	<u>10,788,196</u>	<u>544,674</u>
Net position, beginning of year	<u>62,885,261</u>	<u>31,194,734</u>	<u>-</u>	<u>3,184,712</u>	<u>(276)</u>	<u>3,495,392</u>
Net position, end of year	<u><u>\$ 57,086,747</u></u>	<u><u>\$ 39,452,491</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,599,648</u></u>	<u><u>\$ 10,787,920</u></u>	<u><u>\$ 4,040,066</u></u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 25—Blended component units (continued)**

	<u>Cagle Corporation</u>	<u>Family Investment Foundation</u>	<u>Five Points 1 Corporation</u>	<u>Five Points 2 Corporation</u>	<u>Five Points 3 Corporation</u>	<u>Five Points 4 Corporation</u>
Operating Revenues:						
Operating revenues	\$ 2,522,843	\$ 282,344	\$ 43,450	\$ 266,324	\$ 110,290	\$ 262,290
Operating expenses	<u>2,533,162</u>	<u>3,939</u>	<u>594</u>	<u>117</u>	<u>148</u>	<u>161</u>
Operating income (loss)	(10,319)	278,405	42,856	266,207	110,142	262,129
Non-operating Revenues (Expenses):	-	-	-	-	-	-
Transfers from (to)	<u>(596,654)</u>	<u>-</u>	<u>(18,441)</u>	<u>(4,016)</u>	<u>(3,435)</u>	<u>(23,884)</u>
Increase (decrease) in net position	<u>(606,973)</u>	<u>278,405</u>	<u>24,415</u>	<u>262,191</u>	<u>106,707</u>	<u>238,245</u>
Net position, beginning of year	<u>(2,789,022)</u>	<u>164,473</u>	<u>616,331</u>	<u>3,309,722</u>	<u>1,463,197</u>	<u>3,138,330</u>
Net position, end of year	<u>\$ (3,395,995)</u>	<u>\$ 442,878</u>	<u>\$ 640,746</u>	<u>\$ 3,571,913</u>	<u>\$ 1,569,904</u>	<u>\$ 3,376,575</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 25—Blended component units (continued)**

	<b>Grosvenor Square GP Corporation</b>	<b>Greater Tennessee Housing Corporation</b>	<b>Holston GP Corporation</b>	<b>Hollywood GP Corp</b>	<b>Liberty Place Knoxville Corporation</b>	<b>Moss Grove GP Corp</b>
Operating Revenues:	\$ -	\$ 202,322	\$ 92,912	\$ 47,401	\$ 523,921	\$ 215,990
HUD PHA operating grants	<u>777</u>	<u>21</u>	<u>692</u>	<u>21</u>	<u>52,330</u>	<u>22</u>
Fraud recovery	(777)	202,301	92,220	47,380	471,591	215,968
Operating income (loss)	-	-	-	-	-	-
Capital contributions	<u>219</u>	<u>-</u>	<u>(92,778)</u>	<u>(47,458)</u>	<u>732,754</u>	<u>(217,169)</u>
Special items	<u>(558)</u>	<u>202,301</u>	<u>(558)</u>	<u>(78)</u>	<u>1,204,345</u>	<u>(1,201)</u>
Increase (decrease) in net position	-	-	-	130	(20,243)	1,201
Net position, beginning of year	<u>\$ (558)</u>	<u>\$ 202,301</u>	<u>\$ (558)</u>	<u>\$ 52</u>	<u>\$ 1,184,102</u>	<u>\$ -</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	<b>Montgomery Village Corporation</b>	<b>Passport Housing Corporation</b>	<b>Passport Development Corporation</b>	<b>Sutherland 1 GP Corporation</b>	<b>Sutherland 2 GP Corporation</b>	<b>Western Heights 1 GP Corporation</b>
Operating Revenues:						
Operating revenues	\$ 3,473,672	\$ 631,154	\$ -	\$ 23,056	\$ 46,589	\$ 482,581
Operating expenses	<u>4,710,589</u>	<u>73,888</u>	<u>46</u>	<u>146</u>	<u>146</u>	<u>567,258</u>
Operating income (loss)	(1,236,917)	557,266	(46)	22,910	46,443	(84,677)
Non-operating Revenues (Expenses):	(54,733)	-	-	-	-	-
Transfers from (to)	<u>-</u>	<u>(238,042)</u>	<u>432</u>	<u>(12,385)</u>	<u>(25,459)</u>	<u>249,308</u>
Increase (decrease) in net position	<u>(1,291,650)</u>	<u>319,224</u>	<u>386</u>	<u>10,525</u>	<u>20,984</u>	<u>164,631</u>
Net position, beginning of year	<u>(721,444)</u>	<u>19,181,755</u>	<u>4,920,688</u>	<u>-</u>	<u>-</u>	<u>205,425</u>
Net position, end of year	<u><u>\$ (2,013,094)</u></u>	<u><u>\$ 19,500,979</u></u>	<u><u>\$ 4,921,074</u></u>	<u><u>\$ 10,525</u></u>	<u><u>\$ 20,984</u></u>	<u><u>\$ 370,056</u></u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 25—Blended component units (continued)**

	<b>Western Heights 2 GP Corporation</b>	<b>Western Heights 3 GP Corporation</b>	<b>Western Heights Corp</b>	<b>Young High GP Corp</b>	<b>Combined Blended Component Unit and Primary Government</b>
Operating Revenues:					
Operating revenues	\$ -	\$ -	\$ 1,067,665	\$ 75,507	\$ 74,902,204
Operating expenses	713	712	38,536	21	59,794,029
Operating income (loss)	(713)	(712)	1,029,129	75,486	15,108,175
Non-operating Revenues (Expenses):	-	-	-	-	551,284
Transfers from (to)	38,758	59,810	(603,230)	(77,459)	-
Increase (decrease) in net position	38,045	59,098	425,899	(1,973)	15,659,459
Net position, beginning of year	-	-	19,803,208	2,007	150,035,581
Net position, end of year	<u>\$ 38,045</u>	<u>\$ 59,098</u>	<u>\$ 20,229,107</u>	<u>\$ 34</u>	<u>\$ 165,695,040</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 26—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>
<b>ASSETS</b>						
Current assets	\$ 2,427,052	\$ 2,349,087	\$ 1,344,378	\$ 545,944	\$ 994,505	\$ 671,631
Capital assets, net	13,635,036	15,523,204	9,710,961	6,139,461	8,342,248	12,739,613
Noncurrent assets	1,283,963	752,918	908,853	11,560	67,832	74,837
<b>Total Assets</b>	<b>\$ 17,346,051</b>	<b>\$ 18,625,209</b>	<b>\$ 11,964,192</b>	<b>\$ 6,696,965</b>	<b>\$ 9,404,585</b>	<b>\$ 13,486,081</b>
<b>LIABILITIES</b>						
Current liabilities	\$ 1,102,799	\$ 2,489,146	\$ 970,240	\$ 94,906	\$ 182,113	\$ 1,336,014
Noncurrent liabilities	13,130,570	11,670,789	9,527,256	4,993,677	538,736	5,393,753
<b>Total Liabilities</b>	<b>\$ 14,233,369</b>	<b>\$ 14,159,935</b>	<b>\$ 10,497,496</b>	<b>\$ 5,088,583</b>	<b>\$ 720,849</b>	<b>\$ 6,729,767</b>
<b>Net position:</b>						
Net investment in capital assets	\$ 412,481	\$ 3,762,446	\$ 119,561	\$ 1,145,784	\$ 7,803,512	\$ 7,293,522
Restricted by program requirements	1,502,001	1,556,117	1,018,154	441,757	444,165	514,938
Unrestricted net position (deficit)	1,198,200	(853,289)	328,981	20,841	436,059	(1,052,146)
Total Net Position	\$ 3,112,682	\$ 4,465,274	\$ 1,466,696	\$ 1,608,382	\$ 8,683,736	\$ 6,756,314
<b>Total Liabilities And Net Position</b>	<b>\$ 17,346,051</b>	<b>\$ 18,625,209</b>	<b>\$ 11,964,192</b>	<b>\$ 6,696,965</b>	<b>\$ 9,404,585</b>	<b>\$ 13,486,081</b>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 26—Discretely presented component units (continued)**

	<u>Five Points 3</u>	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Bell Street 3</u>	<u>Western Heights</u>	<u>Liberty Place</u>	<u>Total</u>
<b>ASSETS</b>							
Current assets	\$ 571,900	\$ 896,888	\$ 673,577	\$ 24,718,026	\$ 14,881,057	\$ 590	\$ 50,074,635
Capital assets, net	13,198,714	15,465,198	26,932,154	41,157,845	15,615,578	3,767,526	182,227,538
Noncurrent assets	83,271	91,454	154,606	1,487,409	-	-	4,916,703
<b>Total Assets</b>	<b>\$ 13,853,885</b>	<b>\$ 16,453,540</b>	<b>\$ 27,760,337</b>	<b>\$ 67,363,280</b>	<b>\$ 30,496,635</b>	<b>\$ 3,768,116</b>	<b>\$ 237,218,876</b>
<b>LIABILITIES</b>							
Current liabilities	\$ 412,548	\$ 1,796,183	\$ 330,265	\$ 5,629,445	\$ 3,107,902	\$ 2,081,008	\$ 19,532,569
Noncurrent liabilities	3,652,645	6,629,132	6,911,343	58,349,103	26,121,495	695,000	147,613,499
<b>Total Liabilities</b>	<b>\$ 4,065,193</b>	<b>\$ 8,425,315</b>	<b>\$ 7,241,608</b>	<b>\$ 63,978,548</b>	<b>\$ 29,229,397</b>	<b>\$ 2,776,008</b>	<b>\$ 167,146,068</b>
<b>Net position:</b>							
Net investment in capital assets	\$ 9,509,529	\$ 8,778,941	\$ 19,804,811	\$ 1,959,340	\$ 735,554	\$ 1,190,631	\$ 62,516,112
Restricted by program requirements	403,328	476,934	295,159	-	58,991	590	6,712,134
Unrestricted net position (deficit)	(124,165)	(1,227,650)	418,759	1,425,392	472,693	(199,113)	844,562
Total Net Position	<u>\$ 9,788,692</u>	<u>\$ 8,028,225</u>	<u>\$ 20,518,729</u>	<u>\$ 3,384,732</u>	<u>\$ 1,267,238</u>	<u>\$ 992,108</u>	<u>\$ 70,072,808</u>
<b>Total Liabilities And Net Position</b>	<b>\$ 13,853,885</b>	<b>\$ 16,453,540</b>	<b>\$ 27,760,337</b>	<b>\$ 67,363,280</b>	<b>\$ 30,496,635</b>	<b>\$ 3,768,116</b>	<b>\$ 237,218,876</b>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 26—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>
Operating Revenues:						
Tenant revenue, net of bad debts	\$ 766,998	\$ 1,000,181	\$ 557,236	\$ 230,741	\$ 318,764	\$ 216,992
Other government grants	1,206,405	1,304,682	867,937	219,998	485,135	506,709
Other revenue	13,284	11,401	1,779	248	6,941	53
Total operating revenues	<u>1,986,687</u>	<u>2,316,264</u>	<u>1,426,952</u>	<u>450,987</u>	<u>810,840</u>	<u>723,754</u>
Operating Expenses:						
Administrative	472,884	478,367	343,072	109,261	190,636	105,758
Tenant service	5,152	2,494	1,607	7,585	12,355	456
Utilities	27,373	386,381	142,553	115,958	197,000	160,608
Maintenance	565,246	410,853	326,137	134,205	128,659	163,311
Protective services	41,797	46,298	27,956	10,258	20,309	14,115
Insurance	168,814	173,515	88,591	26,512	41,853	58,177
General expense	88,891	72,218	86,012	7,554	7,594	7,453
Depreciation and amortization	449,199	506,917	351,945	255,823	269,991	450,342
Total operating expenses	<u>1,819,356</u>	<u>2,077,043</u>	<u>1,367,873</u>	<u>667,156</u>	<u>868,397</u>	<u>960,220</u>
Net operating income (loss)	167,331	239,221	59,079	(216,169)	(57,557)	(236,466)
Nonoperating Revenues (Expenses):						
Interest income - unrestricted	14,230	4,118	9,822	7,389	3,551	1,456
Interest income - restricted	274	283	184	4,684	3,821	1,811
Interest expense	(565,034)	(521,651)	(408,770)	(5,634)	(51,080)	(387,863)
Fraud recovery	4,537	-	-	-	-	-
Special Item	-	-	-	-	-	-
Other nonoperating revenue (expense)	(26,231)	(1,000)	(39,758)	-	-	(2,550)
Total nonoperating expense, net	<u>(572,224)</u>	<u>(518,250)</u>	<u>(438,522)</u>	<u>6,439</u>	<u>(43,708)</u>	<u>(387,146)</u>
Partner (distributions) contributions	<u>(14,751)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	(419,644)	(279,029)	(379,443)	(209,730)	(101,265)	(623,612)
Net position, beginning of year	<u>3,532,326</u>	<u>4,744,303</u>	<u>1,846,139</u>	<u>1,818,112</u>	<u>8,785,001</u>	<u>7,379,926</u>
Net position, end 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>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 26—Discretely presented component units (continued)**

	<u>Five Points 3</u>	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Bell Street 3</u>	<u>Western Heights</u>	<u>Liberty Place</u>	<u>Total</u>
Operating Revenues:	\$ 186,311	\$ 258,668	\$ 720,507	\$ -	\$ 279,400	\$ -	\$ 4,535,798
HUD PHA operating grants	439,283	511,715	426,774	-	1,917,967	-	7,886,605
Other fees	112	-	17,615	-	-	-	51,433
Fraud recovery	625,706	770,383	1,164,896	-	2,197,367	-	12,473,836
Total operating revenues							
Operating Expenses:	129,838	91,454	181,657	57,029	289,920	240	2,450,116
Administrative	109	625	2,229	-	5,038	-	37,650
Tenant service	111,577	141,995	168,248	-	459,180	-	1,910,873
Utilities	122,490	190,314	188,161	6,137	306,711	-	2,542,224
Maintenance	15,398	13,695	6,491	-	41,417	-	237,734
Protective services	65,146	58,607	96,862	662	16,494	-	795,233
Insurance	12,177	10,616	18,072	3,018	54,217	-	367,822
Housing assistance payments	427,649	617,297	766,081	-	34,970	-	4,130,214
Depreciation and amortization	884,384	1,124,603	1,427,801	66,846	1,207,947	240	12,471,866
Total operating expenses							
	(258,678)	(354,220)	(262,905)	(66,846)	989,420	(240)	1,970
Total noncurrent assets							
Nonoperating Revenues (Expenses):	2,184	2,925	722	1,487,409	-	-	1,533,806
Interest income - unrestricted	1,109	997	679	-	276	-	14,118
Interest income - restricted	(153,749)	(423,196)	(271,614)	-	(498,185)	-	(3,286,776)
Interest expense	-	-	-	-	2,977	-	7,514
Fraud recovery	-	-	-	-	-	-	-
Special Item	-	(18,461)	(35,013)	-	(3,730)	-	(126,743)
Other nonoperating revenue (expense)	(150,456)	(437,735)	(305,226)	1,487,409	(498,662)	-	(1,858,081)
Total nonoperating expense, net							
Partner (distributions) contributions	-	-	14,185,521	-	-	992,348	15,163,118
Changes in net position	(409,134)	(791,955)	13,617,390	1,420,563	490,758	992,108	13,307,007
Net position, beginning of year	10,197,826	8,820,180	6,901,339	1,964,169	776,480	-	56,765,801
Net position, end of year	<u>\$ 9,788,692</u>	<u>\$ 8,028,225</u>	<u>\$ 20,518,729</u>	<u>\$ 3,384,732</u>	<u>\$ 1,267,238</u>	<u>\$ 992,108</u>	<u>\$ 70,072,808</u>

## **SUPPLEMENTARY INFORMATION**

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF ACTUAL COSTS FOR THE SPECIFIED PROJECT**

*YEAR ENDED JUNE 30, 2024*

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	<u>TN43P003501-18</u>
Funds approved	\$ 5,480,252
Funds expended	<u>5,480,252</u>
Excess (deficiency) of funds approved	<u>\$ -0-</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 COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	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	14,195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
111 Cash - Unrestricted	\$345,189	\$166,711	\$0	\$0	\$0	\$10,640	\$742,858	\$404,506	\$438,746	\$2,410,589	\$3,883,495
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$999,930	\$11,519,258	\$0
113 Cash - Other Restricted	\$0	\$11,920	\$0	\$0	\$0	\$0	\$6,383,489	\$0	\$2,065,588	\$11,162,363	\$20,489,786
114 Cash - Tenant Security Deposits	\$8,333	\$0	\$0	\$0	\$0	\$0	\$219,870	\$0	\$0	\$267,190	\$168,426
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$353,522	\$178,631	\$0	\$0	\$0	\$10,640	\$7,346,317	\$404,506	\$3,504,264	\$25,359,400	\$24,541,707
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$124,175	\$0	\$447,902	\$1,000,000	\$37,080	\$0	\$905,404	\$0	\$0	\$493,767	\$21,366
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,641	\$14,503	\$6,296
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$23,099	\$1,044,444	\$755,957	\$219,368	\$15,898,166
126 Accounts Receivable - Tenants	\$53,739	\$0	\$0	\$0	\$0	\$0	\$568,058	\$0	\$0	\$1,322,660	\$228,651
126.1 Allowance for Doubtful Accounts - Tenants	\$(44,842)	\$0	\$0	\$0	\$0	\$0	\$(269,279)	\$0	\$0	\$(144,826)	\$(149,488)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$133,072	\$0	\$447,902	\$1,000,000	\$37,080	\$0	\$1,227,282	\$1,044,444	\$919,598	\$1,905,470	\$16,004,991
131 Investments - Unrestricted	\$0	\$46,230	\$0	\$0	\$0	\$0	\$0	\$43,029	\$1,340,620	\$0	\$10,927,983
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,200,478	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$56,303	\$0	\$0	\$0	\$0	\$0	\$327,991	\$35,602	\$2,822	\$553,054	\$669,893
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,233	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$883,147	\$141,877	\$0	\$728,213
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$283,890	\$0	\$0
150 Total Current Assets	\$542,897	\$224,861	\$447,902	\$1,000,000	\$37,080	\$10,640	\$8,901,590	\$2,410,728	\$6,193,071	\$50,074,635	\$52,572,787
161 Land	\$566,618	\$0	\$0	\$0	\$0	\$0	\$1,816,803	\$8,553,505	\$1,115,400	\$174,350	\$1,390,489
162 Buildings	\$19,269,475	\$0	\$0	\$0	\$0	\$0	\$90,425,058	\$0	\$0	\$142,424,608	\$70,628,418
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$129,900	\$0
164 Furniture, Equipment & Machinery - Administration	\$1,043,685	\$0	\$0	\$0	\$0	\$0	\$3,211,177	\$262,406	\$0	\$4,053,659	\$854,348
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$(17,338,024)	\$0	\$0	\$0	\$0	\$0	\$(66,779,417)	\$(240,720)	\$0	\$(20,605,716)	\$(47,685,979)
167 Construction in Progress	\$283,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,936	\$56,050,737	\$9,276,285
168 Infrastructure	\$71,076	\$0	\$0	\$0	\$0	\$0	\$1,014,244	\$8,684,879	\$0	\$0	\$713,027
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,896,671	\$0	\$0	\$0	\$0	\$0	\$29,687,665	\$17,260,070	\$1,137,336	\$182,227,538	\$35,176,588
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,065,743
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,658,711	\$4,916,703	\$9,007,424
175 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,338,682
180 Total Non-Current Assets	\$3,896,671	\$0	\$0	\$0	\$0	\$0	\$29,687,665	\$17,260,070	\$18,796,047	\$187,144,241	\$106,588,437
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,439,568	\$224,861	\$447,902	\$1,000,000	\$37,080	\$10,640	\$38,589,255	\$19,670,798	\$24,989,118	\$237,218,876	\$159,461,224

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	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	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$113,740	\$504	\$49,106	\$0	\$0	\$0	\$294,218	\$44,019	\$150,693	\$4,188,194	\$1,456,800
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$7,459	\$0	\$7,547	\$0	\$2,492	\$0	\$56,516	\$89,394	\$22,314	\$56,582	\$32,569
322 Accrued Compensated Absences - Current Portion	\$4,017	\$0	\$1,163	\$0	\$10,548	\$0	\$104,700	\$99,038	\$15,692	\$0	\$30,986
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$24	\$0	\$0	\$0	\$0	\$26,945	\$0	\$0	\$4,469,040	\$78,648
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$107,862	\$0	\$0	\$60,907	\$56,663
341 Tenant Security Deposits	\$7,833	\$0	\$0	\$0	\$0	\$0	\$214,170	\$0	\$0	\$275,602	\$166,813
342 Unearned Revenue	\$9,222	\$23,165	\$0	\$0	\$0	\$0	\$140,242	\$593	\$43,520	\$207,865	\$852,410
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$814,829	\$0	\$9,599,385	\$608,101	\$849,700
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$1,570	\$0	\$0	\$0	\$0	\$0	\$7,243	\$0	\$173,857	\$32,865	\$1,290,528
346 Accrued Liabilities - Other	\$34,764	\$0	\$0	\$0	\$0	\$0	\$231,734	\$0	\$0	\$9,633,413	\$156,060
347 Inter Program - Due To	\$0	\$0	\$137,584	\$0	\$14,538	\$0	\$883,147	\$0	\$0	\$0	\$754,040
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$178,605	\$23,693	\$195,400	\$0	\$27,578	\$0	\$2,881,606	\$233,044	\$10,005,461	\$19,532,569	\$5,725,217
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$13,279,637	\$0	\$10,189,582	\$147,115,314	\$40,837,297
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$498,185	\$0
354 Accrued Compensated Absences - Non Current	\$8,156	\$0	\$2,361	\$0	\$9,502	\$0	\$212,573	\$201,077	\$31,859	\$0	\$62,910
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
360 Total Non-Current Liabilities	\$8,156	\$0	\$2,361	\$0	\$9,502	\$0	\$13,492,210	\$201,077	\$10,221,411	\$147,613,499	\$40,900,207
300 Total Liabilities	\$186,761	\$23,693	\$197,761	\$0	\$37,080	\$0	\$16,373,816	\$434,121	\$20,226,872	\$167,146,068	\$46,625,424
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,227,499
508.3 Nonspendable Fund Balance											
508.4 Net Investment in Capital Assets	\$3,896,670	\$0	\$0	\$0	\$0	\$0	\$15,593,200	\$17,260,070	\$2,856,080	\$62,516,112	\$3,452,220
509.3 Restricted Fund Balance											
510.3 Committed Fund Balance											
511.3 Assigned Fund Balance											
511.4 Restricted Net Position	\$0	\$11,392	\$0	\$0	\$0	\$0	\$6,383,489	\$0	\$0	\$6,712,134	\$13,209,451
512.3 Unassigned Fund Balance											
512.4 Unrestricted Net Position	\$356,137	\$189,776	\$250,141	\$1,000,000	\$0	\$10,640	\$238,750	\$1,976,607	\$1,906,166	\$844,562	\$91,946,630
513 Total Equity - Net Assets / Position	\$4,252,807	\$201,168	\$250,141	\$1,000,000	\$0	\$10,640	\$22,215,439	\$19,236,677	\$4,762,246	\$70,072,808	\$108,608,301
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,439,568	\$224,861	\$447,902	\$1,000,000	\$37,080	\$10,640	\$38,589,255	\$19,670,798	\$24,989,118	\$237,218,876	\$159,461,224

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	8 Other Federal Program 1	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,780,539					\$12,602	\$600	\$10,196,475	\$0	\$10,196,475
112 Cash - Restricted - Modernization and Development	\$0					\$0	\$0	\$12,519,188	\$0	\$12,519,188
113 Cash - Other Restricted	\$244,685	\$107,153				\$672	\$0	\$40,465,656	\$0	\$40,465,656
114 Cash - Tenant Security Deposits	\$0					\$0	\$0	\$663,919	\$0	\$663,919
115 Cash - Restricted for Payment of Current Liabilities	\$106,243					\$0	\$0	\$106,243	\$0	\$106,243
100 Total Cash	\$2,131,467	\$107,153	\$0	\$0	\$0	\$13,274	\$600	\$63,951,481	\$0	\$63,951,481
121 Accounts Receivable - PHA Projects	\$0					\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$98,766		\$2,000,000		\$50	\$0	\$0	\$5,128,510	\$0	\$5,128,510
124 Accounts Receivable - Other Government	\$0			\$29,507	\$519,116	\$0	\$0	\$733,063	\$0	\$733,063
125 Accounts Receivable - Miscellaneous	\$0					\$0	\$52,556	\$17,993,590	\$0	\$17,993,590
126 Accounts Receivable - Tenants	\$42,875	\$4,800	\$0	\$0	\$0	\$6,961	\$0	\$2,227,744	\$0	\$2,227,744
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$608,437)	\$0	(\$608,437)
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0					\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$34,302	\$1,969				\$186	\$0	\$36,457	\$0	\$36,457
128.1 Allowance for Doubtful Accounts - Fraud	(\$34,302)	(\$1,969)				\$0	\$0	(\$36,271)	\$0	(\$36,271)
129 Accrued Interest Receivable	\$0					\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$141,641	\$4,800	\$2,000,000	\$29,507	\$519,166	\$7,147	\$52,556	\$25,474,656	\$0	\$25,474,656
131 Investments - Unrestricted	\$1,752,739					\$53,537	\$0	\$14,164,138	\$0	\$14,164,138
132 Investments - Restricted	\$0					\$0	\$0	\$22,200,478	\$0	\$22,200,478
135 Investments - Restricted for Payment of Current Liability	\$0					\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$15,636					\$0	\$100,213	\$1,761,514	\$0	\$1,761,514
143 Inventories	\$0					\$0	\$17,445	\$73,678	\$0	\$73,678
143.1 Allowance for Obsolete Inventories	\$0					\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$14,538					\$0	\$51,041	\$1,818,816	(\$1,818,816)	\$0
145 Assets Held for Sale	\$0					\$0	\$0	\$283,890	\$0	\$283,890
150 Total Current Assets	\$4,056,021	\$111,953	\$2,000,000	\$29,507	\$519,166	\$73,958	\$221,855	\$129,728,651	(\$1,818,816)	\$127,909,835
161 Land	\$0					\$0	\$0	\$13,616,965	\$0	\$13,616,965
162 Buildings	\$0					\$0	\$52,310	\$322,799,869	\$0	\$322,799,869
163 Furniture, Equipment & Machinery - Dwellings	\$0					\$0	\$0	\$129,900	\$0	\$129,900
164 Furniture, Equipment & Machinery - Administration	\$0					\$0	\$2,392,169	\$11,817,444	\$0	\$11,817,444
165 Leasehold Improvements	\$0					\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0					\$0	(\$1,711,552)	(\$154,361,408)	\$0	(\$154,361,408)
167 Construction in Progress	\$0					\$0	\$0	\$65,632,799	\$0	\$65,632,799
168 Infrastructure	\$0					\$0	\$20,759	\$10,503,985	\$0	\$10,503,985
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$753,686	\$270,139,554	\$0	\$270,139,554
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0					\$0	\$0	\$58,065,743	\$0	\$58,065,743
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0					\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0					\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0					\$0	\$0	\$31,582,838	\$0	\$31,582,838
176 Investments in Joint Ventures	\$0					\$0	\$0	\$4,338,682	\$0	\$4,338,682
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$753,686	\$364,126,817	\$0	\$364,126,817
200 Deferred Outflow of Resources	\$0					\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,056,021	\$111,953	\$2,000,000	\$29,507	\$519,166	\$73,958	\$975,541	\$493,855,468	(\$1,818,816)	\$492,036,652

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	8 Other Federal Program 1	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	\$0					\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$46,693					\$672	\$88,732	\$6,433,371	\$0	\$6,433,371
313 Accounts Payable >90 Days Past Due	\$0					\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$32,838					\$0	\$177,339	\$485,050	\$0	\$485,050
322 Accrued Compensated Absences - Current Portion	\$48,136					\$0	\$366,394	\$680,674	\$0	\$680,674
324 Accrued Contingency Liability	\$0					\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$263					\$0	\$0	\$4,574,920	\$0	\$4,574,920
331 Accounts Payable - HUD PHA Programs	\$39,065	\$4,800				\$0	\$0	\$43,865	\$0	\$43,865
332 Account Payable - PHA Projects	\$0					\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0					\$0	\$0	\$225,432	\$0	\$225,432
341 Tenant Security Deposits	\$0					\$0	\$0	\$664,418	\$0	\$664,418
342 Unearned Revenue	\$64,540	\$61,430				\$7,147	\$0	\$1,410,134	\$0	\$1,410,134
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0					\$0	\$0	\$11,872,015	\$0	\$11,872,015
344 Current Portion of Long-term Debt - Operating Borrowings	\$0					\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$117,946					\$0	\$419,048	\$2,043,057	\$0	\$2,043,057
346 Accrued Liabilities - Other	\$0					\$0	\$100,751	\$10,156,722	\$0	\$10,156,722
347 Inter Program - Due To	\$0			\$29,507		\$0	\$0	\$1,818,816	(\$1,818,816)	\$0
348 Loan Liability - Current	\$0					\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$349,481	\$66,230	\$0	\$29,507	\$0	\$7,819	\$1,152,264	\$40,408,474	(\$1,818,816)	\$38,589,658
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0					\$0	\$0	\$211,421,800	\$0	\$211,421,800
352 Long-term Debt, Net of Current - Operating Borrowings	\$0					\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$143,872					\$0	\$5,816	\$647,873	\$0	\$647,873
354 Accrued Compensated Absences - Non Current	\$109,644					\$0	\$743,892	\$1,381,974	\$0	\$1,381,974
355 Loan Liability - Non Current	\$0					\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0					\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0					\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$253,516	\$0	\$0	\$0	\$0	\$0	\$749,708	\$213,451,647	\$0	\$213,451,647
300 Total Liabilities	\$602,997	\$66,230	\$0	\$29,507	\$0	\$7,819	\$1,901,972	\$253,860,121	(\$1,818,816)	\$252,041,305
400 Deferred Inflow of Resources	\$0					\$0	\$0	\$4,227,499	\$0	\$4,227,499
508.3 Nonspendable Fund Balance						\$0				
508.4 Net Investment in Capital Assets	\$0					\$0	\$338,325	\$105,912,677	\$0	\$105,912,677
509.3 Restricted Fund Balance						\$0				
510.3 Committed Fund Balance						\$0				
511.3 Assigned Fund Balance						\$0				
511.4 Restricted Net Position		\$45,723	\$2,000,000		\$519,166	\$0	\$0	\$28,881,355	\$0	\$28,881,355
512.3 Unassigned Fund Balance						\$0				
512.4 Unrestricted Net Position	\$3,453,024	\$0	\$0	\$0	\$0	\$66,139	(\$1,264,756)	\$100,973,816	\$0	\$100,973,816
513 Total Equity - Net Assets / Position	\$3,453,024	\$45,723	\$2,000,000	\$0	\$519,166	\$66,139	(\$926,431)	\$235,767,848	\$0	\$235,767,848
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,056,021	\$111,953	\$2,000,000	\$29,507	\$519,166	\$73,958	\$975,541	\$493,855,468	(\$1,818,816)	\$492,036,652

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhood Implementati on Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self- Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	1 Business Activities	2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue	\$234,686	\$0	\$0	\$0	\$0	\$0	\$3,596,470	\$0	\$0	\$4,469,139	\$1,804,745
70400 Tenant Revenue - Other	\$5,628	\$0	\$0	\$0	\$0	\$0	\$72,877	\$0	\$0	\$66,659	\$129,379
70500 Total Tenant Revenue	\$240,314	\$0	\$0	\$0	\$0	\$0	\$3,669,347	\$0	\$0	\$4,535,798	\$1,934,124
70600 HUD PHA Operating Grants	\$6,154,716	\$779,000	\$0	\$0	\$90,259	\$0	\$9,906,451	\$0	\$0		\$0
70610 Capital Grants		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70710 Management Fee											
70720 Asset Management Fee											
70730 Book Keeping Fee											
70740 Front Line Service Fee											
70750 Other Fees								\$685,222			
70700 Total Fee Revenue											
70800 Other Government Grants		\$0	\$1,359,287	\$1,000,000	\$0	\$0	\$0	\$0	\$2,272,836	\$7,886,605	\$8,384,440
71100 Investment Income - Unrestricted	\$234,650	\$5,325	\$0	\$0	\$0	\$0	\$78,490	\$3,434	\$73,922	\$1,533,806	\$1,856,024
71200 Mortgage Interest Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery		\$0	\$0	\$0	\$0	\$0	\$4,323	\$0	\$0	\$7,514	\$416
71500 Other Revenue	\$9,859	\$500	\$0	\$0	\$0	\$2,979	\$253,822	\$2,223,298	\$871,350	\$15,214,551	\$8,268,034
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$40,639.00	\$0	\$0
72000 Investment Income - Restricted	\$32,553	\$0	\$0	\$0	\$0	\$0	\$139,862	\$0	\$0	\$14,118	\$3,638
70000 Total Revenue	\$6,672,092	\$784,825	\$1,359,287	\$1,000,000	\$90,259	\$2,979	\$14,052,295	\$2,911,954	\$3,177,469	\$29,192,392	\$20,446,676
91100 Administrative Salaries	\$100,725	\$77,383	\$86,847	\$0	\$0	\$0	\$778,516	\$1,182,837	\$381,541	\$870,680	\$406,773
91200 Auditing Fees	\$6,188	\$1,000	\$0	\$0	\$0	\$0	\$17,157	\$6,200	\$2,000	\$132,700	\$28,455
91300 Management Fee	\$648,600	\$14,052	\$0	\$0	\$0	\$0	\$497,565	\$35,321	\$18,090	\$563,809	\$327,870
91310 Book-keeping Fee	\$10,725	\$8,782	\$0	\$0	\$0	\$0	\$68,568	\$0	\$0	\$84,957	\$43,083
91400 Advertising and Marketing		\$0	\$292	\$0	\$0	\$0	\$1,406	\$500	\$3,210	\$8,915	\$3,091
91500 Employee Benefit contributions - Administrative	\$37,521	\$0	\$23,154	\$0	\$0	\$0	\$266,972	\$357,022	\$92,867	\$265,698	\$129,531
91600 Office Expenses	\$16,109	\$0	\$0	\$0	\$0	\$2,515	\$247,456	\$25,619	\$19,038	\$242,308	\$131,435
91700 Legal Expense	\$3,917	\$0	\$0	\$0	\$0	\$0	\$40,060	\$0	\$35,465	\$36,553	\$26,277
91800 Travel	\$328	\$0	\$0	\$0	\$0	\$926	\$637	\$0	\$0	\$2,002	\$653
91810 Allocated Overhead		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91900 Other	\$9,955	\$0	\$324,223	\$0	\$0	\$0	\$81,437	\$7,893	\$373,086	\$108,967	\$653,828
91000 Total Operating - Administrative	\$834,068	\$101,217	\$434,516	\$0	\$0	\$3,441	\$1,999,774	\$1,615,392	\$925,297	\$2,316,589	\$1,750,196
92000 Asset Management Fee	\$23,520	\$0	\$0	\$0	\$0	\$0	\$29,760	\$0	\$0	\$133,527	\$18,970
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$44,858	\$0	\$13,734	\$70,916	\$0	\$16,765	\$0
92200 Relocation Costs	\$342	\$0	\$0	\$0	\$0	\$0	\$10,544	\$0	\$33,978	\$8,993	\$11,213
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0	\$0	\$17,188	\$0	\$4,339	\$22,163	\$0	\$1,292	\$0
92400 Tenant Services - Other	\$10,287	\$0	\$0	\$0	\$0	\$0	\$68,946	\$140,652	\$0	\$10,600	\$66,147
92500 Total Tenant Services	\$10,629	\$0	\$0	\$0	\$62,046	\$0	\$97,563	\$233,731	\$33,978	\$37,650	\$77,360

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhood Implementati on Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self- Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
93100 Water	\$70,979	\$0	\$0	\$0	\$0	\$0	\$359,631	\$3,621	\$0	\$470,359	\$256,551
93200 Electricity	\$59,479	\$0	\$0	\$0	\$0	\$0	\$893,453	\$3,655	\$0	\$433,612	\$346,206
93300 Gas	\$5,049	\$0	\$0	\$0	\$0	\$0	\$4,997	\$0	\$0	\$12,926	\$5,495
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$171,100	\$0	\$0	\$0	\$0	\$0	\$832,644	\$5,363	\$0	\$993,976	\$481,124
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$306,607	\$0	\$0	\$0	\$0	\$0	\$2,090,725	\$12,639	\$0	\$1,910,873	\$1,089,376
94100 Ordinary Maintenance and Operations - Labor	\$102,087	\$0	\$0	\$0	\$0	\$0	\$404,866	\$542,933	\$0	\$581,951	\$215,590
94200 Ordinary Maintenance and Operations - Materials and	\$92,590	\$0	\$0	\$0	\$0	\$0	\$404,778	\$14,916	\$403	\$302,740	\$262,160
94300 Ordinary Maintenance and Operations Contracts	\$171,414	\$0	\$0	\$0	\$0	\$0	\$1,256,517	\$54,857	\$293,251	\$1,481,415	\$1,146,095
94500 Employee Benefit Contributions - Ordinary	\$26,239	\$0	\$0	\$0	\$0	\$0	\$149,399	\$167,218	\$0	\$176,118	\$70,921
94000 Total Maintenance	\$392,330	\$0	\$0	\$0	\$0	\$0	\$2,215,560	\$779,924	\$293,654	\$2,542,224	\$1,694,766
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$38,564	\$0	\$0	\$0	\$0	\$0	\$182,616	\$12,928	\$0	\$237,734	\$138,767
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$38,564	\$0	\$0	\$0	\$0	\$0	\$182,616	\$12,928	\$0	\$237,734	\$138,767
96110 Property Insurance	\$63,980	\$0	\$0	\$0	\$0	\$0	\$267,095	\$1,108	\$450	\$651,169	\$174,703
96120 Liability Insurance	\$11,799	\$0	\$0	\$0	\$0	\$0	\$45,200	\$3,472	\$3,191	\$123,723	\$24,606
96130 Workmen's Compensation	\$1,612	\$0	\$0	\$0	\$0	\$0	\$10,561	\$1,459	\$1,761	\$14,183	\$5,143
96140 All Other Insurance	\$3,767	\$0	\$0	\$0	\$0	\$0	\$11,000	\$0	\$751	\$6,158	\$57,666
96100 Total Insurance Premiums	\$81,158	\$0	\$0	\$0	\$0	\$0	\$333,856	\$6,039	\$6,153	\$795,233	\$262,118
96200 Other General Expenses	\$587	\$0	\$0	\$0	\$0	\$0	\$4,073,292	\$43,232	\$307,700	\$10,589	\$795,137
96210 Compensated Absences	\$7,486	\$0	\$8,782	\$0	\$28,213	\$0	\$237,114	\$143,588	\$22,831	\$103,436	\$43,584
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$107,862	\$0	\$0	\$50,735	\$56,892
96400 Bad debt - Tenant Rents	\$40,201	\$0	\$0	\$0	\$0	\$0	\$277,889	\$0	\$0	\$203,062	\$139,904
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$48,274	\$0	\$8,782	\$0	\$28,213	\$0	\$4,696,157	\$186,820	\$330,531	\$367,822	\$1,035,517
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$438,235	\$0	\$0	\$1,485,792	\$966,106
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,632,087	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168,897	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$438,235	\$0	\$0	\$3,286,776	\$966,106
96900 Total Operating Expenses	\$1,735,150	\$101,217	\$443,298	\$0	\$90,259	\$3,441	\$12,084,246	\$2,847,473	\$1,589,613	\$11,628,428	\$7,033,176

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhood s Implementati on Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self- Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
97000 Excess of Operating Revenue over Operating Expenses	\$4,936,942	\$683,608	\$915,989	\$1,000,000	\$0	(\$462)	\$1,968,049	\$64,481	\$1,587,856	\$17,563,964	\$13,413,500
97100 Extraordinary Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized		\$0	\$0	\$0	\$0	\$0	\$438,430	\$0	\$0	\$126,743	\$100,620
97300 Housing Assistance Payments		\$693,527	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97350 HAP Portability-In		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$998,664	\$0	\$0	\$0	\$0	\$0	\$3,252,240	\$0	\$0	\$4,130,214	\$3,198,189
97500 Fraud Losses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$2,733,814	\$794,744	\$443,298	\$0	\$90,259	\$3,441	\$15,774,916	\$2,847,473	\$1,589,613	\$15,885,385	\$10,331,985
10010 Operating Transfer In	\$261,697	\$0	\$0	\$0	\$0	\$0	\$0	\$1,565,418	\$0	\$0	\$0
10020 Operating transfer Out	(\$261,697)	\$0	\$0	\$0	\$0	\$0	(\$968,764)	(\$1,648,257)	(\$500,000)	\$0	(\$789,235)
10030 Operating Transfers from/to Primary Government		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit		\$0	(\$651,898)	\$0	\$0	\$0	\$0	\$0	(\$120,074)	\$0	\$771,972
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In											
10092 Inter Project Excess Cash Transfer Out											
10093 Transfers between Program and Project - In		\$0	\$0	\$0	\$0	\$0	\$0	\$68,299	\$0	\$0	\$11,249,461
10094 Transfers between Project and Program - Out	(\$11,317,760)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	(\$11,317,760)	\$0	(\$651,898)	\$0	\$0	\$0	(\$968,764)	(\$14,540)	(\$620,074)	\$0	\$11,232,198
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$7,379,482)	(\$9,919)	\$264,091	\$1,000,000	\$0	(\$462)	(\$2,691,385)	\$49,941	\$967,782	\$13,307,007	\$21,346,889
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$199,181	\$0	\$0	\$389,693	\$828,645
11030 Beginning Equity	\$11,632,289	\$211,087	(\$13,950)	\$0	\$0	\$11,102	\$24,906,824	\$19,186,736	\$3,794,464	\$56,765,801	\$87,261,412
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$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 -											
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity											
11180 Housing Assistance Payments Equity											
11190 Unit Months Available	2160	2880	0	0	0	0	22332	0	0	17244	900
11210 Number of Unit Months Leased	1370	1171	0	0	0	0	19082	0	0	15093	839
11270 Excess Cash	\$211,270										
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 COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	8 Other Federal Program 1	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$0					\$0	\$0	\$10,105,040	\$0	\$10,105,040
70400 Tenant Revenue - Other	\$0					\$0	\$0	\$274,543	\$0	\$274,543
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,379,583	\$0	\$10,379,583
70600 HUD PHA Operating Grants	\$27,986,528	\$537,629				\$343,560	\$0	\$45,798,143	\$0	\$45,798,143
70610 Capital Grants	\$0					\$0	\$0	\$0	\$0	\$0
70710 Management Fee						\$0	\$1,937,938	\$1,937,938	(\$1,937,938)	\$0
70720 Asset Management Fee						\$0	\$72,250	\$72,250	(\$72,250)	\$0
70730 Book Keeping Fee						\$0	\$400,229	\$400,229	(\$400,229)	\$0
70740 Front Line Service Fee						\$0	\$366,606	\$366,606	(\$366,606)	\$0
70750 Other Fees						\$0	\$22,368	\$707,590	\$0	\$707,590
70700 Total Fee Revenue						\$0	\$2,799,391	\$2,799,391	(\$2,777,023)	\$22,368
70800 Other Government Grants	\$0		\$2,000,000		\$519,166	\$0	\$0	\$23,422,334	(\$4,645,721)	\$18,776,613
71100 Investment Income - Unrestricted	\$113,029	\$2,936				\$2,941	\$22,887	\$3,927,444	\$0	\$3,927,444
71200 Mortgage Interest Income	\$0					\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets	\$0					\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0					\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$11,552					\$0	\$0	\$23,805	\$0	\$23,805
71500 Other Revenue	\$2,201	\$2,510				\$1,000	\$27,125	\$26,877,229	\$0	\$26,877,229
71600 Gain or Loss on Sale of Capital	\$0					\$0	\$0	(\$40,639)	\$0	(\$40,639)
72000 Investment Income - Restricted	\$0					\$0	\$0	\$190,171	\$0	\$190,171
70000 Total Revenue	\$28,113,310	\$543,075	\$2,000,000	\$0	\$519,166	\$347,501	\$2,849,403	\$114,062,683	(\$7,422,744)	\$106,639,939
91100 Administrative Salaries	\$511,345	\$2,819				\$33,322	\$2,696,662	\$7,129,450	\$0	\$7,129,450
91200 Auditing Fees	\$22,000	\$1,000				\$1,000	\$7,200	\$224,900	\$0	\$224,900
91300 Management Fee	\$418,776	\$6,684				\$6,300		\$2,537,067	(\$1,937,938)	\$599,129
91310 Book-keeping Fee	\$260,955	\$4,178				\$3,938		\$485,186	(\$400,229)	\$84,957
91400 Advertising and Marketing	\$2,161					\$0	\$14,162	\$33,737	\$0	\$33,737
91500 Employee Benefit contributions -	\$200,210	\$875				\$0	\$791,434	\$2,165,284	\$0	\$2,165,284
91600 Office Expenses	\$80,130					\$0	\$486,732	\$1,251,342	\$0	\$1,251,342
91700 Legal Expense	\$0					\$0	\$16,189	\$157,461	\$0	\$157,461
91800 Travel	\$4,060					\$0	\$42,228	\$51,034	\$0	\$51,034
91810 Allocated Overhead	\$0					\$0	\$0	\$0	\$0	\$0
91900 Other	\$362,879	\$18,577				\$0	\$304,039	\$2,244,884	\$0	\$2,244,884
91000 Total Operating - Administrative	\$1,862,516	\$34,133	\$0	\$0	\$0	\$44,560	\$4,358,646	\$16,280,345	(\$2,338,167)	\$13,942,178
92000 Asset Management Fee	\$0					\$0		\$205,777	(\$72,250)	\$133,527
92100 Tenant Services - Salaries	\$0					\$0	\$0	\$146,273	\$0	\$146,273
92200 Relocation Costs	\$0					\$0	\$0	\$65,070	\$0	\$65,070
92300 Employee Benefit Contributions -	\$0					\$0	\$0	\$44,982	\$0	\$44,982
92400 Tenant Services - Other	\$11,200					\$0	\$48,800	\$356,632	\$0	\$356,632
92500 Total Tenant Services	\$11,200	\$0	\$0	\$0	\$0	\$0	\$48,800	\$612,957	\$0	\$612,957

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	14.871 Housing Choice Vouchers	14 EHV Emergency Housing Voucher	8 Other Federal Program 1	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	\$0					\$0	\$14,974	\$1,176,115	\$0	\$1,176,115
93200 Electricity	\$0					\$0	\$55,868	\$1,792,273	\$0	\$1,792,273
93300 Gas	\$0					\$0	\$8,630	\$37,097	\$0	\$37,097
93400 Fuel	\$0					\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0					\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0					\$0	\$6,030	\$2,490,237	\$0	\$2,490,237
93700 Employee Benefit Contributions -	\$0					\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0					\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$85,502	\$5,495,722	\$0	\$5,495,722
94100 Ordinary Maintenance and Operations	\$0					\$0	\$187,608	\$2,035,035	\$0	\$2,035,035
94200 Ordinary Maintenance and Operations	\$31					\$0	\$21,998	\$1,099,616	\$0	\$1,099,616
94300 Ordinary Maintenance and Operations	\$312					\$0	\$79,955	\$4,483,816	(\$366,606)	\$4,117,210
94500 Employee Benefit Contributions -	\$0					\$0	\$66,125	\$656,020	\$0	\$656,020
94000 Total Maintenance	\$343	\$0	\$0	\$0	\$0	\$0	\$355,686	\$8,274,487	(\$366,606)	\$7,907,881
95100 Protective Services - Labor	\$0					\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract	\$0					\$0	\$0	\$610,609	\$0	\$610,609
95300 Protective Services - Other	\$0					\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions -	\$0					\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$610,609	\$0	\$610,609
96110 Property Insurance	\$17					\$0	\$12,635	\$1,171,157	\$0	\$1,171,157
96120 Liability Insurance	\$29,733					\$0	\$545	\$242,269	\$0	\$242,269
96130 Workmen's Compensation	\$5,388					\$0	\$35,932	\$76,039	\$0	\$76,039
96140 All Other Insurance	\$3,042					\$0	\$7,265	\$89,649	\$0	\$89,649
96100 Total Insurance Premiums	\$38,180	\$0	\$0	\$0	\$0	\$0	\$56,377	\$1,579,114	\$0	\$1,579,114
96200 Other General Expenses	\$9,871					\$0	\$0	\$5,240,408	(\$4,072,091)	\$1,168,317
96210 Compensated Absences	\$66,935					\$0	\$523,198	\$1,185,167	\$0	\$1,185,167
96300 Payments in Lieu of Taxes	\$0					\$0	\$0	\$215,489	\$0	\$215,489
96400 Bad debt - Tenant Rents	\$0					\$0	\$0	\$661,056	\$0	\$661,056
96500 Bad debt - Mortgages	\$0					\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0					\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0					\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$76,806	\$0	\$0	\$0	\$0	\$0	\$523,198	\$7,302,120	(\$4,072,091)	\$3,230,029
96710 Interest of Mortgage (or Bonds)	\$0					\$0	\$0	\$2,890,133	\$0	\$2,890,133
96720 Interest on Notes Payable (Short and	\$0					\$0	\$25,668	\$1,657,755	\$0	\$1,657,755
96730 Amortization of Bond Issue Costs	\$0					\$0	\$0	\$168,897	\$0	\$168,897
96700 Total Interest Expense and	\$0	\$0	\$0	\$0	\$0	\$0	\$25,668	\$4,716,785	\$0	\$4,716,785
96900 Total Operating Expenses	\$1,989,045	\$34,133	\$0	\$0	\$0	\$44,560	\$5,453,877	\$45,077,916	(\$6,849,114)	\$38,228,802

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	14,871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	8 Other Federal Program 1	9 Other Federal Program 2	91 Other Federal Program 3	14,856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$26,124,265	\$508,942	\$2,000,000	\$0	\$519,166	\$302,941	(\$2,604,474)	\$68,984,767	(\$573,630)	\$68,411,137
97100 Extraordinary Maintenance	\$0					\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0					\$0	\$25,000	\$690,793	\$0	\$690,793
97300 Housing Assistance Payments	\$25,827,243	\$496,159				\$328,859	\$0	\$27,345,788	(\$573,630)	\$26,772,158
97350 HAP Portability-In	\$0					\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$0					\$0	\$402,413	\$11,981,720	\$0	\$11,981,720
97500 Fraud Losses	\$0					\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental						\$0				
97700 Debt Principal Payment -						\$0				
97800 Dwelling Units Rent Expense	\$0					\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$27,816,288	\$530,292	\$0	\$0	\$0	\$373,419	\$5,881,290	\$85,096,217	(\$7,422,744)	\$77,673,473
10010 Operating Transfer In	\$68,778					\$0	\$2,340,838	\$4,236,731	\$0	\$4,236,731
10020 Operating transfer Out	\$0					(\$68,778)	\$0	(\$4,236,731)	\$0	(\$4,236,731)
10030 Operating Transfers from/to Primary	\$0					\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to	\$0					\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and						\$0				
10060 Proceeds from Property Sales						\$0				
10070 Extraordinary Items, Net Gain/Loss	\$0					\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0					\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In						\$0		\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer						\$0		\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0					\$0	\$0	\$11,317,760	\$0	\$11,317,760
10094 Transfers between Project and Program - Out	\$0					\$0	\$0	(\$11,317,760)	\$0	(\$11,317,760)
10100 Total Other financing Sources (Uses)	\$68,778	\$0	\$0	\$0	\$0	(\$68,778)	\$2,340,838	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$365,800	\$12,783	\$2,000,000	\$0	\$519,166	(\$94,696)	(\$691,049)	\$28,966,466	\$0	\$28,966,466
11020 Required Annual Debt Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,417,519	\$0	\$1,417,519
11030 Beginning Equity	\$3,087,224	\$32,940	\$0	\$0	\$0	\$160,835	(\$235,382)	\$206,801,382	\$0	\$206,801,382
11040 Prior Period Adjustments, Equity	\$0					\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence						\$0				
11060 Changes in Contingent Liability						\$0				
11070 Changes in Unrecognized Pension						\$0				
11080 Changes in Special Term/Severance						\$0				
11090 Changes in Allowance for Doubtful						\$0				
11100 Changes in Allowance for Doubtful						\$0				
11170 Administrative Fee Equity	\$3,453,024					\$0		\$3,453,024		\$3,453,024
11180 Housing Assistance Payments Equity	\$0					\$0		\$0		\$0
11190 Unit Months Available	47344	756				704	0	94320	0	94320
11210 Number of Unit Months Leased	34794	557				602	0	73508	0	73508
11270 Excess Cash						\$0		\$211,270		\$211,270
11610 Land Purchases						\$0	\$0	\$0		\$0
11620 Building Purchases						\$0	\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling						\$0	\$0	\$0		\$0
11640 Furniture & Equipment -						\$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 COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**PROJECT BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	OTHER PROJ	TN003000001	Total
111 Cash - Unrestricted	\$60,607	\$284,582	\$345,189
112 Cash - Restricted - Modernization and Development	\$0		\$0
113 Cash - Other Restricted	\$0		\$0
114 Cash - Tenant Security Deposits	\$0	\$8,333	\$8,333
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0
100 Total Cash	\$60,607	\$292,915	\$353,522
121 Accounts Receivable - PHA Projects	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$124,175	\$124,175
124 Accounts Receivable - Other Government	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0		\$0
126 Accounts Receivable - Tenants	\$0	\$53,739	\$53,739
126.1 Allowance for Doubtful Accounts - Tenants	\$0	(\$44,842)	(\$44,842)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0
128 Fraud Recovery	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0
129 Accrued Interest Receivable	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$133,072	\$133,072
131 Investments - Unrestricted	\$0		\$0
132 Investments - Restricted	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0
142 Prepaid Expenses and Other Assets	\$0	\$56,303	\$56,303
143 Inventories	\$0		\$0
143.1 Allowance for Obsolete Inventories	\$0		\$0
144 Inter Program Due From	\$0		\$0
145 Assets Held for Sale	\$0		\$0
150 Total Current Assets	\$60,607	\$482,290	\$542,897
161 Land	\$306,570	\$260,048	\$566,618
162 Buildings	\$4,977,598	\$14,291,877	\$19,269,475
163 Furniture, Equipment & Machinery - Dwellings	\$0		\$0
164 Furniture, Equipment & Machinery - Administration	\$18,450	\$1,025,235	\$1,043,685
165 Leasehold Improvements	\$0		\$0
166 Accumulated Depreciation	(\$4,996,048)	(\$12,341,976)	(\$17,338,024)
167 Construction in Progress	\$0	\$283,841	\$283,841
168 Infrastructure	\$0	\$71,076	\$71,076
160 Total Capital Assets, Net of Accumulated Depreciation	\$306,570	\$3,590,101	\$3,896,671
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	\$0		\$0
174 Other Assets	\$0		\$0
176 Investments in Joint Ventures	\$0		\$0
180 Total Non-Current Assets	\$306,570	\$3,590,101	\$3,896,671
200 Deferred Outflow of Resources	\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$367,177	\$4,072,391	\$4,439,568

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**PROJECT BALANCE SHEET SUMMARY**

YEAR ENDED JUNE 30, 2024

	OTHER PROJ	TN003000001	Total
311 Bank Overdraft	\$0		\$0
312 Accounts Payable <= 90 Days	\$0	\$113,740	\$113,740
313 Accounts Payable >90 Days Past Due	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$7,459	\$7,459
322 Accrued Compensated Absences - Current Portion	\$0	\$4,017	\$4,017
324 Accrued Contingency Liability	\$0		\$0
325 Accrued Interest Payable	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0		\$0
332 Account Payable - PHA Projects	\$0		\$0
333 Accounts Payable - Other Government	\$0		\$0
341 Tenant Security Deposits	\$0	\$7,833	\$7,833
342 Unearned Revenue	\$0	\$9,222	\$9,222
343 Current Portion of Long-term Debt - Capital	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0		\$0
345 Other Current Liabilities	\$0	\$1,570	\$1,570
346 Accrued Liabilities - Other	\$0	\$34,764	\$34,764
347 Inter Program - Due To	\$0		\$0
348 Loan Liability - Current	\$0		\$0
310 Total Current Liabilities	\$0	\$178,605	\$178,605
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0		\$0
353 Non-current Liabilities - Other	\$0		\$0
354 Accrued Compensated Absences - Non Current	\$0	\$8,156	\$8,156
355 Loan Liability - Non Current	\$0		\$0
356 FASB 5 Liabilities	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0		\$0
350 Total Non-Current Liabilities	\$0	\$8,156	\$8,156
300 Total Liabilities	\$0	\$186,761	\$186,761
400 Deferred Inflow of Resources	\$0		\$0
508.4 Net Investment in Capital Assets	\$306,570	\$3,590,100	\$3,896,670
511.4 Restricted Net Position	\$0		\$0
512.4 Unrestricted Net Position	\$60,607	\$295,530	\$356,137
513 Total Equity - Net Assets / Position	\$367,177	\$3,885,630	\$4,252,807
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$367,177	\$4,072,391	\$4,439,568

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**PROJECT REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	OTHER PROJ	TN003000001	Total
70300 Net Tenant Rental Revenue		\$234,686	\$234,686
70400 Tenant Revenue - Other		\$5,628	\$5,628
70500 Total Tenant Revenue	\$0	\$240,314	\$240,314
70600 HUD PHA Operating Grants		\$6,154,716	\$6,154,716
70610 Capital Grants			
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	\$1,137	\$233,513	\$234,650
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		\$9,859	\$9,859
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted		\$32,553	\$32,553
70000 Total Revenue	\$1,137	\$6,670,955	\$6,672,092
91100 Administrative Salaries		\$100,725	\$100,725
91200 Auditing Fees		\$6,188	\$6,188
91300 Management Fee	\$0	\$648,600	\$648,600
91310 Book-keeping Fee		\$10,725	\$10,725
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative		\$37,521	\$37,521
91600 Office Expenses		\$16,109	\$16,109
91700 Legal Expense		\$3,917	\$3,917
91800 Travel		\$328	\$328
91810 Allocated Overhead			
91900 Other		\$9,955	\$9,955
91000 Total Operating - Administrative	\$0	\$834,068	\$834,068
92000 Asset Management Fee		\$23,520	\$23,520
92100 Tenant Services - Salaries			
92200 Relocation Costs		\$342	\$342
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other		\$10,287	\$10,287
92500 Total Tenant Services	\$0	\$10,629	\$10,629

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**PROJECT REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	OTHER PROJ	TN003000001	Total
93100 Water		\$70,979	\$70,979
93200 Electricity		\$59,479	\$59,479
93300 Gas		\$5,049	\$5,049
93400 Fuel			
93500 Labor			
93600 Sewer		\$171,100	\$171,100
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$0	\$306,607	\$306,607
94100 Ordinary Maintenance and Operations - Labor		\$102,087	\$102,087
94200 Ordinary Maintenance and Operations - Materials and		\$92,590	\$92,590
94300 Ordinary Maintenance and Operations Contracts	\$0	\$171,414	\$171,414
94500 Employee Benefit Contributions - Ordinary Maintenance		\$26,239	\$26,239
94000 Total Maintenance	\$0	\$392,330	\$392,330
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs		\$38,564	\$38,564
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$38,564	\$38,564
96110 Property Insurance		\$63,980	\$63,980
96120 Liability Insurance		\$11,799	\$11,799
96130 Workmen's Compensation		\$1,612	\$1,612
96140 All Other Insurance		\$3,767	\$3,767
96100 Total insurance Premiums	\$0	\$81,158	\$81,158
96200 Other General Expenses		\$587	\$587
96210 Compensated Absences		\$7,486	\$7,486
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents		\$40,201	\$40,201
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$0	\$48,274	\$48,274
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$1,735,150	\$1,735,150
97000 Excess of Operating Revenue over Operating Expenses	\$1,137	\$4,935,805	\$4,936,942

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION (TN003)**  
**FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE**  
**PROJECT REVENUE AND EXPENSE SUMMARY**

YEAR ENDED JUNE 30, 2024

	OTHER PROJ	TN003000001	Total
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense		\$998,664	\$998,664
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$0	\$2,733,814	\$2,733,814
10010 Operating Transfer In		\$261,697	\$261,697
10020 Operating transfer Out		(\$261,697)	(\$261,697)
10030 Operating Transfers from/to Primary Government			
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			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out		(\$11,317,760)	(\$11,317,760)
10100 Total Other financing Sources (Uses)	\$0	(\$11,317,760)	(\$11,317,760)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$1,137	(\$7,380,619)	(\$7,379,482)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$366,040	\$11,266,249	\$11,632,289
11040 Prior Period Adjustments, Equity Transfers and	\$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	2160	2160
11210 Number of Unit Months Leased	0	1370	1370
11270 Excess Cash	\$60,607	\$150,663	\$211,270
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR	Assistance Listing Number	Pass Through Entity	Federal Expenditures	Loan Balances	Total
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155		\$ -	\$ 21,886,669	\$ 21,886,669
<b>Section 8 Project Based Cluster</b>					
Section 8 Housing Assistance Payments Program- Special Allocations	14.195	N/A	9,906,451	-	9,906,451
Section 8 Moderate Rehabilitation	14.856	N/A	343,560	-	343,560
Cluster Total			10,250,011	-	10,250,011
<b>Housing Choice Voucher Cluster</b>					
Housing Choice Voucher Program	14.871	N/A	27,986,528	-	27,986,528
Emergency Housing Vouchers	14.EHV	N/A	537,629	-	537,629
Mainstream Voucher	14.879	N/A	779,000	-	779,000
Cluster Total			29,303,157	-	29,303,157
Capital Fund Program	14.872	N/A	4,611,551	-	4,611,551
PIH Family Self-Sufficiency Program	14.896	N/A	90,259	-	90,259
Low Rent Public Housing	14.850	N/A	1,543,166	-	1,543,166
<b>Hope IV Cluster</b>					
Choice Neighborhoods Implementation Grants	14.889	N/A	1,359,287	-	1,359,287
Home Investments Partnerships Program	14.239	N/A	1,000,000	-	1,000,000
Economic Development Initiative Grant	14.251	N/A	2,000,000	-	2,000,000
Housing Trust Grant	14.275	N/A	519,166	-	519,166
			11,123,429	-	11,123,429
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ 50,676,597</b>	<b>\$ 21,886,669</b>	<b>\$ 72,563,266</b>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED JUNE 30, 2024*

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**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, 2024.

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 Pos**

HUD grants	\$ 45,798,143
Other Government Grants	10,890,008
Less State and Local	<u>(6,011,554)</u>
	<u><u>\$ 50,676,597</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, 2024 was \$21,476,103.

**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, 2024, and the related notes to the financial statements, which collectively comprise KCDC's basic financial statements, and have issued our report thereon dated December 13, 2024. 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. However, material weaknesses or significant deficiencies may exist that were not identified.

### **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*.

**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 13, 2024

## **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, 2024. 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, 2024.

#### **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 that 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 auditing standards generally accepted in the United States of America, *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 13, 2024

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2024

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**Summary of Independent Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified not considered to be material weaknesses?  yes  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)?  yes  no

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
14.871, 14.EHV, 14.879	Housing Choice Voucher Cluster
14.872	Capital Fund Program
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: \$2,176,898

Auditee qualified as low-risk auditee?  yes  no

**Financial Statement Findings**

None.

**Finding - Major Federal Award Programs Audit**

None.

**Findings and Questioned Costs for Federal Awards**

None reported.

**KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2024*

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**Findings – Financial Statement Audit**

**2023-01**

**Cybersecurity and Information Technology**

*Condition* – KCDC was not able to produce certain supporting documents for cash disbursements, receipts, and move-out tenant files as these documents were lost as a result of a ransomware incident. Additionally, the KCDC underwent a phishing attack which led KCDC to pay fraudulent invoices of approximately \$2,000,000. KCDC was able to recover approximately \$1,000,000. The remaining amount not recovered was recorded as an expense.

*Recommendation* – We recommend KCDC to implement information technology and cybersecurity controls to ensure that all data is properly and securely backed up. Furthermore, we recommend KCDC to implement general information technology controls to ensure payments made for vendors are valid and appropriate.

*Status* – The finding has been cleared for the year ended June 30, 2024.

# 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](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

Housing Choice Voucher Program

Home Ownership Program

Administrative Plan

July 1, 2025

## 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 10<sup>th</sup> 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**

<b>Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB Approval No. 2577-0169 (Exp. 04/30/2018)</b>
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**

<b>Name of Head of Household</b>	<b>Address, Telephone Number:</b>

**Names of Other Family Members**

<b>Signature of Family Representative</b>	<b>Date</b>

**Public Housing Agency**

<b>Name of PHA</b>	<b>Address, Telephone Number:</b>
<b>Knoxville's Community Development Corporation</b>	<b>P. O. Box 3550 Knoxville, TN 37927-3550 865-403-1234</b>

<b>PHA Representative Title</b>	<b>Counselor/Trainer</b>
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<b>Signature of PHA Representative</b>	<b>Date:</b>

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.

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Homeowner Signature

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Date

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

HOUSING CHOICE VOUCHER PROGRAM  
FAMILY SELF SUFFICIENCY  
ACTION PLAN

July 1, 2025

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## **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.

<b>Section 8 Housing</b>	
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



**Western Heights (3-4) Hope VI/Choice Neighborhoods**

<b>Building #</b>	<b>Street Address</b>	<b>City, State, Zip</b>	<b>Unit #</b>
WA068	1426 Oldham Avenue	Knoxville, TN 37921	304-0245
WA068	1424 Oldham Avenue	Knoxville, TN 37921	304-0246
WA068	1422 Oldham Avenue	Knoxville, TN 37921	304-0247
WA068	1420 Oldham Avenue	Knoxville, TN 37921	304-0248
WA068	1418 Oldham Avenue	Knoxville, TN 37921	304-0249
WA068	1416 Oldham Avenue	Knoxville, TN 37921	304-0250
WA069	1414 Oldham Avenue	Knoxville, TN 37921	304-0251
WA069	1412 Oldham Avenue	Knoxville, TN 37921	304-0252
WA069	1410 Oldham Avenue	Knoxville, TN 37921	304-0253
WA069	1408 Oldham Avenue	Knoxville, TN 37921	304-0254
WA069	1406 Oldham Avenue	Knoxville, TN 37921	304-0255
WA069	1404 Oldham Avenue	Knoxville, TN 37921	304-0256
WA069	1402 Oldham Avenue	Knoxville, TN 37921	304-0257
WA069	1400 Oldham Avenue	Knoxville, TN 37921	304-0258
WA070	1358 Oldham Avenue	Knoxville, TN 37921	304-0259
WA070	1356 Oldham Avenue	Knoxville, TN 37921	304-0260
WA070	1354 Oldham Avenue	Knoxville, TN 37921	304-0261
WA070	1352 Oldham Avenue	Knoxville, TN 37921	304-0262
WA070	1350 Oldham Avenue	Knoxville, TN 37921	304-0263
WA070	1348 Oldham Avenue	Knoxville, TN 37921	304-0264
WA070	1346 Oldham Avenue	Knoxville, TN 37921	304-0265
WA070	1344 Oldham Avenue	Knoxville, TN 37921	304-0266
WA071	1342 Oldham Avenue	Knoxville, TN 37921	304-0267
WA071	1340 Oldham Avenue	Knoxville, TN 37921	304-0268
WA071	1338 Oldham Avenue	Knoxville, TN 37921	304-0269
WA071	1336 Oldham Avenue	Knoxville, TN 37921	304-0270
WA071	1334 Oldham Avenue	Knoxville, TN 37921	304-0271
WA071	1332 Oldham Avenue	Knoxville, TN 37921	304-0272
WA072	1330 Oldham Avenue	Knoxville, TN 37921	304-0273
WA072	1328 Oldham Avenue	Knoxville, TN 37921	304-0274
WA072	1326 Oldham Avenue	Knoxville, TN 37921	304-0275
WA072	1324 Oldham Avenue	Knoxville, TN 37921	304-0276
WA072	1322 Oldham Avenue	Knoxville, TN 37921	304-0277
WA072	1320 Oldham Avenue	Knoxville, TN 37921	304-0278
WA072	1318 Oldham Avenue	Knoxville, TN 37921	304-0279
WA072	1316 Oldham Avenue	Knoxville, TN 37921	304-0280
WA073	1314 Oldham Avenue	Knoxville, TN 37921	304-0281
WA073	1312 Oldham Avenue	Knoxville, TN 37921	304-0282
WA073	1310 Oldham Avenue	Knoxville, TN 37921	304-0283
WA073	1308 Oldham Avenue	Knoxville, TN 37921	304-0284
WA074	1306 Oldham Avenue	Knoxville, TN 37921	304-0285
WA074	1304 Oldham Avenue	Knoxville, TN 37921	304-0286
WA075	1302 Oldham Avenue	Knoxville, TN 37921	304-0287
WA075	1300 Oldham Avenue	Knoxville, TN 37921	304-0288

WA076	1626 Reed Street	Knoxville, TN 37921	304-0289
WA076	1624 Reed Street	Knoxville, TN 37921	304-0290
WA076	1622 Reed Street	Knoxville, TN 37921	304-0291
WA076	1620 Reed Street	Knoxville, TN 37921	304-0292
WA076	1618 Reed Street	Knoxville, TN 37921	304-0293
WA076	1616 Reed Street	Knoxville, TN 37921	304-0294
WA077	1614 Reed Street	Knoxville, TN 37921	304-0295
WA077	1612 Reed Street	Knoxville, TN 37921	304-0296
WA077	1610 Reed Street	Knoxville, TN 37921	304-0297
WA077	1608 Reed Street	Knoxville, TN 37921	304-0298
WA077	1606 Reed Street	Knoxville, TN 37921	304-0299
WA077	1604 Reed Street	Knoxville, TN 37921	304-0300
WA077	1602 Reed Street	Knoxville, TN 37921	304-0301
WA077	1600 Reed Street	Knoxville, TN 37921	304-0302
WA078	1163 W. Scott Avenue	Knoxville, TN 37921	304-0303
WA078	1161 W. Scott Avenue	Knoxville, TN 37921	304-0304
WA078	1159 W. Scott Avenue	Knoxville, TN 37921	304-0305
WA078	1157 W. Scott Avenue	Knoxville, TN 37921	304-0306
WA078	1155 W. Scott Avenue	Knoxville, TN 37921	304-0307
WA078	1153 W. Scott Avenue	Knoxville, TN 37921	304-0308
WA079	1151 W. Scott Avenue	Knoxville, TN 37921	304-0309
WA079	1149 W. Scott Avenue	Knoxville, TN 37921	304-0310
WA079	1147 W. Scott Avenue	Knoxville, TN 37921	304-0311
WA079	1145 W. Scott Avenue	Knoxville, TN 37921	304-0312
WA079	1143 W. Scott Avenue	Knoxville, TN 37921	304-0313
WA079	1141 W. Scott Avenue	Knoxville, TN 37921	304-0314
WA080	1139 W. Scott Avenue	Knoxville, TN 37921	304-0315
WA080	1137 W. Scott Avenue	Knoxville, TN 37921	304-0316
WA080	1135 W. Scott Avenue	Knoxville, TN 37921	304-0317
WA080	1133 W. Scott Avenue	Knoxville, TN 37921	304-0318
WA080	1131 W. Scott Avenue	Knoxville, TN 37921	304-0319
WA080	1129 W. Scott Avenue	Knoxville, TN 37921	304-0320
WA081	1121 W. Scott Avenue	Knoxville, TN 37921	304-0321
WA081	1123 W. Scott Avenue	Knoxville, TN 37921	304-0322
WA081	1125 W. Scott Avenue	Knoxville, TN 37921	304-0323
WA081	1127 W. Scott Avenue	Knoxville, TN 37921	304-0324
WA082	1119 W. Scott Avenue	Knoxville, TN 37921	304-0325
WA082	1117 W. Scott Avenue	Knoxville, TN 37921	304-0326
WA082	1115 W. Scott Avenue	Knoxville, TN 37921	304-0327
WA082	1113 W. Scott Avenue	Knoxville, TN 37921	304-0328
WA082	1111 W. Scott Avenue	Knoxville, TN 37921	304-0329
WA082	1109 W. Scott Avenue	Knoxville, TN 37921	304-0330
WA083	1107 W. Scott Avenue	Knoxville, TN 37921	304-0331
WA083	1105 W. Scott Avenue	Knoxville, TN 37921	304-0332
WA084	1103 W. Scott Avenue	Knoxville, TN 37921	304-0333
WA084	1101 W. Scott Avenue	Knoxville, TN 37921	304-0334
WA085	1425 McSpadden Street	Knoxville, TN 37921	304-0335

WA085	1427 McSpadden Street	Knoxville, TN 37921	304-0336
WA085	1429 McSpadden Street	Knoxville, TN 37921	304-0337
WA085	1431 McSpadden Street	Knoxville, TN 37921	304-0338
WA086	1433 McSpadden Street	Knoxville, TN 37921	304-0339
WA086	1435 McSpadden Street	Knoxville, TN 37921	304-0340
WA087	1437 McSpadden Street	Knoxville, TN 37921	304-0341
WA087	1439 McSpadden Street	Knoxville, TN 37921	304-0342
WA088	1441 McSpadden Street	Knoxville, TN 37921	304-0343
WA088	1443 McSpadden Street	Knoxville, TN 37921	304-0344
WA088	1445 McSpadden Street	Knoxville, TN 37921	304-0345
WA088	1447 McSpadden Street	Knoxville, TN 37921	304-0346
WA088	1449 McSpadden Street	Knoxville, TN 37921	304-0347
WA088	1451 McSpadden Street	Knoxville, TN 37921	304-0348
WA089	1453 McSpadden Street	Knoxville, TN 37921	304-0349
WA089	1455 McSpadden Street	Knoxville, TN 37921	304-0350
WA089	1457 McSpadden Street	Knoxville, TN 37921	304-0351
WA089	1459 McSpadden Street	Knoxville, TN 37921	304-0352
WA089	1461 McSpadden Street	Knoxville, TN 37921	304-0353
WA089	1463 McSpadden Street	Knoxville, TN 37921	304-0354
WA090	1465 McSpadden Street	Knoxville, TN 37921	304-0355
WA090	1467 McSpadden Street	Knoxville, TN 37921	304-0356
WA090	1469 McSpadden Street	Knoxville, TN 37921	304-0357
WA090	1471 McSpadden Street	Knoxville, TN 37921	304-0358
WA090	1473 McSpadden Street	Knoxville, TN 37921	304-0359
WA090	1475 McSpadden Street	Knoxville, TN 37921	304-0360
WA091	1100 Oldham Avenue	Knoxville, TN 37921	304-0361
WA091	1102 Oldham Avenue	Knoxville, TN 37921	304-0362
WA091	1104 Oldham Avenue	Knoxville, TN 37921	304-0363
WA091	1106 Oldham Avenue	Knoxville, TN 37921	304-0364
WA091	1108 Oldham Avenue	Knoxville, TN 37921	304-0365
WA091	1110 Oldham Avenue	Knoxville, TN 37921	304-0366
WA092	1112 Oldham Avenue	Knoxville, TN 37921	304-0367
WA092	1114 Oldham Avenue	Knoxville, TN 37921	304-0368
WA092	1116 Oldham Avenue	Knoxville, TN 37921	304-0369
WA092	1118 Oldham Avenue	Knoxville, TN 37921	304-0370
WA093	1200 Oldham Avenue	Knoxville, TN 37921	304-0371
WA093	1202 Oldham Avenue	Knoxville, TN 37921	304-0372
WA093	1204 Oldham Avenue	Knoxville, TN 37921	304-0373
WA093	1206 Oldham Avenue	Knoxville, TN 37921	304-0374
WA093	1208 Oldham Avenue	Knoxville, TN 37921	304-0375
WA093	1210 Oldham Avenue	Knoxville, TN 37921	304-0376
WA094	1329 Oldham Avenue	Knoxville, TN 37921	304-0377
WA094	1327 Oldham Avenue	Knoxville, TN 37921	304-0378
WA095	1325 Oldham Avenue	Knoxville, TN 37921	304-0379
WA095	1323 Oldham Avenue	Knoxville, TN 37921	304-0380
WA095	1321 Oldham Avenue	Knoxville, TN 37921	304-0381
WA095	1319 Oldham Avenue	Knoxville, TN 37921	304-0382

WA095	1317 Oldham Avenue	Knoxville, TN 37921	304-0383
WA095	1315 Oldham Avenue	Knoxville, TN 37921	304-0384
WA096	1311 Oldham Avenue	Knoxville, TN 37921	304-0385
WA096	1309 Oldham Avenue	Knoxville, TN 37921	304-0386
WA096	1307 Oldham Avenue	Knoxville, TN 37921	304-0387
WA096	1305 Oldham Avenue	Knoxville, TN 37921	304-0388
WA097	1701 Reed Street	Knoxville, TN 37921	304-0389
WA097	1703 Reed Street	Knoxville, TN 37921	304-0390
WA097	1705 Reed Street	Knoxville, TN 37921	304-0391
WA097	1707 Reed Street	Knoxville, TN 37921	304-0392
WA097	1709 Reed Street	Knoxville, TN 37921	304-0393
WA097	1711 Reed Street	Knoxville, TN 37921	304-0394
WA097	1713 Reed Street	Knoxville, TN 37921	304-0395
WA097	1715 Reed Street	Knoxville, TN 37921	304-0396
WA098	1717 Reed Street	Knoxville, TN 37921	304-0397
WA098	1719 Reed Street	Knoxville, TN 37921	304-0398
WA098	1721 Reed Street	Knoxville, TN 37921	304-0399
WA098	1723 Reed Street	Knoxville, TN 37921	304-0400
WA098	1725 Reed Street	Knoxville, TN 37921	304-0401
WA098	1727 Reed Street	Knoxville, TN 37921	304-0402
WA098	1729 Reed Street	Knoxville, TN 37921	304-0403
WA098	1731 Reed Street	Knoxville, TN 37921	304-0404
WA099	1733 Reed Street	Knoxville, TN 37921	304-0405
WA099	1735 Reed Street	Knoxville, TN 37921	304-0406
WA099	1737 Reed Street	Knoxville, TN 37921	304-0407
WA099	1739 Reed Street	Knoxville, TN 37921	304-0408
WA099	1741 Reed Street	Knoxville, TN 37921	304-0409
WA099	1743 Reed Street	Knoxville, TN 37921	304-0410
WA099	1745 Reed Street	Knoxville, TN 37921	304-0411
WA099	1747 Reed Street	Knoxville, TN 37921	304-0412
WA103	1700 Reed Street	Knoxville, TN 37921	304-0423
WA103	1702 Reed Street	Knoxville, TN 37921	304-0424
WA104	1201 Oldham Avenue	Knoxville, TN 37921	304-0425
WA104	1203 Oldham Avenue	Knoxville, TN 37921	304-0426
WA109	1201 Bonnyman Drive	Knoxville, TN 37921	304-0445
WA109	1203 Bonnyman Drive	Knoxville, TN 37921	304-0446
WA109	1205 Bonnyman Drive	Knoxville, TN 37921	304-0447
WA109	1207 Bonnyman Drive	Knoxville, TN 37921	304-0448
WA109	1209 Bonnyman Drive	Knoxville, TN 37921	304-0449
WA109	1211 Bonnyman Drive	Knoxville, TN 37921	304-0450
WA110	1215 Bonnyman Drive	Knoxville, TN 37921	304-0451
WA110	1217 Bonnyman Drive	Knoxville, TN 37921	304-0452
WA110	1219 Bonnyman Drive	Knoxville, TN 37921	304-0453
WA110	1221 Bonnyman Drive	Knoxville, TN 37921	304-0454
WA110	1223 Bonnyman Drive	Knoxville, TN 37921	304-0455
WA110	1225 Bonnyman Drive	Knoxville, TN 37921	304-0456
WA111	1227 Bonnyman Drive	Knoxville, TN 37921	304-0457

