

2014 Annual Report

Dear friends and stakeholders of Knox Housing Partnership,

The last year has been one of continued change at KHP. Like many small non-profits, we are learning to adapt to changes in grant funding, changing customer demographics, and changes in technology that affect how we provide our services. Internally, we have worked to address these changes by setting property management performance goals, finding more efficient ways to provide homebuyer and foreclosure counseling, reviewing outreach efforts, and improving communications with our customers. These internal changes have provided the board and staff the ability to increase production and adjust to our customer's needs more effectively.



However, our internal efforts to improve our services have not slowed the work we are doing to promote our mission in the community. In addition to managing our 129-unit rental portfolio, we have:

- helped 225 families save their homes from foreclosure through the Keep My Tennessee Home program,
- graduated 80 individuals from our homebuyer education and financial fitness classes,
- acquired, rehabilitated and sold four single-family homes, and
- completed and sold three high-performing single-family homes in the Lonsdale Community.

Yet while these numbers sound impressive, the real impact of our efforts are in the stories of the families and individuals impacted. On the next few pages you can read about the impact we have had on our customer's lives, and I would encourage you to visit us at www.khp.org to see more.

None of this would be possible without our funders, supporters, and partners. To you who have supported us, I say thank you in helping make 2013 a great year for Knox Housing Partnership and for all the lives we have been able to touch with your support.
Jackie Mayo

A handwritten signature in green ink that reads "Jackie Mayo". The signature is fluid and cursive.

Executive Director



For almost 25 years, Knox Housing Partnership (KHP) has offered affordable housing solutions in safe, vibrant communities and provided a pathway to sustainable homeownership for low- and middle-income East Tennesseans who dream of owning a place to call home.

Sustainable homeownership leads to safer and more active neighborhoods that strengthen communities and improve social benefits like civic participation, educational achievement, health benefits, and economic stability.

We know that homeownership is a complex endeavor, and we cannot do this important work alone. From the

beginning KHP has partnered with local governments, businesses, and private citizens to provide housing opportunities that encourage the growth of communities across the region.

While homeownership may be complicated, our approach is not. We offer straightforward educational classes, foreclosure prevention counseling, affordable housing for sale, and safe rental properties.

KHP is proud to support responsible, sustainable homeownership and secure, reliable housing in Knoxville and East Tennessee.

23
Years in
business

Annual investment into the local community

\$558,237

Over 100
Single Family Homes Developed



Over 2,500
Clients Counseled/Educated on Home
Ownership or Foreclosure Prevention

Staff
10 full-time
3 part-time

Annual local property tax paid
\$57,645

RENTAL PORTFOLIO

129 PROPERTIES
OWNED AND
MANAGED

33 Rental Homes / **96** Apartments in
4 communities

Our Staff

- Jackie Mayo**, Executive Director
- Ken Block**, Asset Management & Property Development
- Pat Sitton**, Controllor
- LaShawn Hall**, Leasing Agent/Property Manager
- Yvonne R. Hall**, HomeOwnership Center Manager/
Director of Pre- and Post-Purchase Programs
- Robbie Wheaton**, Maintenance Tech
- Teresa Rader-Williams**, Administrative
Assistant/Foreclosure Counselor
- Frank Rosken**, Maintenance Supervisor
- Chris Osborn**, Project Manager
- Mike Simmons**, Foreclosure Assistance and HBE Trainer
- Kim Owens**, Bookkeeper
- Connie Neal**, HBE Trainer
- Zakkary Parker**, Appalachia CARES/AmeriCorps Member; File Reviewer

Board of Directors

- Ann Barker**
- Paul Berney**
- Cameron J. Brooks**
- Jacqueline R. Clay**
- Phyllis Clingner**
- Angela Conner**
- Jeremy R. Cook**
- Jan Evridge**
- Kelsey Finch**
- Herc Ligdis**
- Phillip & Micaela Morgan**
- Clifford C. (Clem) Renfro**



Corky Neal and Carolyn Bryant, along with Mayor Victor Ashe, receive a check from Fannie Mae towards the operation of the HomeOwnership Center in 2003.

Knox Housing Partnership’s mission is to strengthen our community by providing sustainable housing opportunities. This broad mission is carried out through a number of services and programs, including;

- Homeownership counseling & education
- Foreclosure prevention counseling & education
- New construction of single-family homes for low-to-moderate income households
- Acquisition and rehabilitation of single-family homes for low-to-moderate income households
- Development and management of safe, affordable rental housing
- Affordable loan product packaging
- Home energy rating services



Homebuyer education facilitators Connie Neal and Mike Simmons play “Homebuyer Jeopardy” during an HBE class.

“When the recession hit and times got hard, people were losing their jobs and were possibly getting ready to lose their homes, KHP gave my clients a place to go to get state funding to help them stay in their homes. By partnering with KHP, we are able to keep people in their homes and help people achieve the American dream of first-time home ownership”

– Jeremy Cook, East Tennessee Retail Manager, Clayton Bank and Trust, former Homebuyer Education Class Participant, and KHP Board member.



At the heart of Knox Housing Partnership’s mission to help individuals and families become responsible and successful homeowners are our educational programs and counseling services.

Homebuyers Education

One of Knox Housing Partnership’s most successful programs is our Homebuyer Education class. This 8-hour course prepares potential homebuyers to purchase a home by covering topics like budgeting, understanding credit, shopping for a home, applying for a mortgage loan, home maintenance, and much more.

KHP uses the nationally recognized Realizing the American Dream curriculum from Neighborworks America®. This course has been proven to reduce the chance of foreclosure. Studies show that households that participate in Homebuyer Education are 1/3 less likely to default on their loan in the first three years.

KHP provides two classes a month, including an 8-hour Saturday class and 2-part Tuesday/Thursday evening class.

Financial Fitness

Financial Fitness is a 4-week workshop series focused on credit repair, budget creation, and action plans to help anyone reach their financial goals.

Pre-Purchase Counseling

Through our HomeOwnership CenterSM, KHP serves as a HUD-approved Housing Counseling Agency providing counseling services for low- and moderate-income residents and others who seek to have a better understanding of their financial circumstances and affordable home purchase options.

Foreclosure & Mortgage Default Counseling

As Neighborworks-certified foreclosure counselors, the caring staff at Knox Housing Partnership is here to help and advise customers facing foreclosure free of charge.

MALONA’S STORY

Malona is a veteran with one child in her home. Living off a fixed income, she was limited to living in public housing. With help from Knox Housing Partnership, the City of Knoxville, and Commercial Bank, Malona now owns a high-performing, energy-efficient home. After serving her community, her community has been given the opportunity to help her back.



KHP Executive Director Jackie Mayo hands Malona the keys to her new home.



Malona's new home is LEED for Homes-Gold and Energy Star Certified.

TESTIMONIALS

“I love it here. I really do. I enjoy myself. I like the quietness, the peace, and the neighbors are nice.”

– Charles Brawner



“They give you a lot of background and they teach you how to make a budget.”

– Melissa Scott



“Each unit has large rooms, so it’s really nice. It’s energy efficient, so it saves on our bills.”

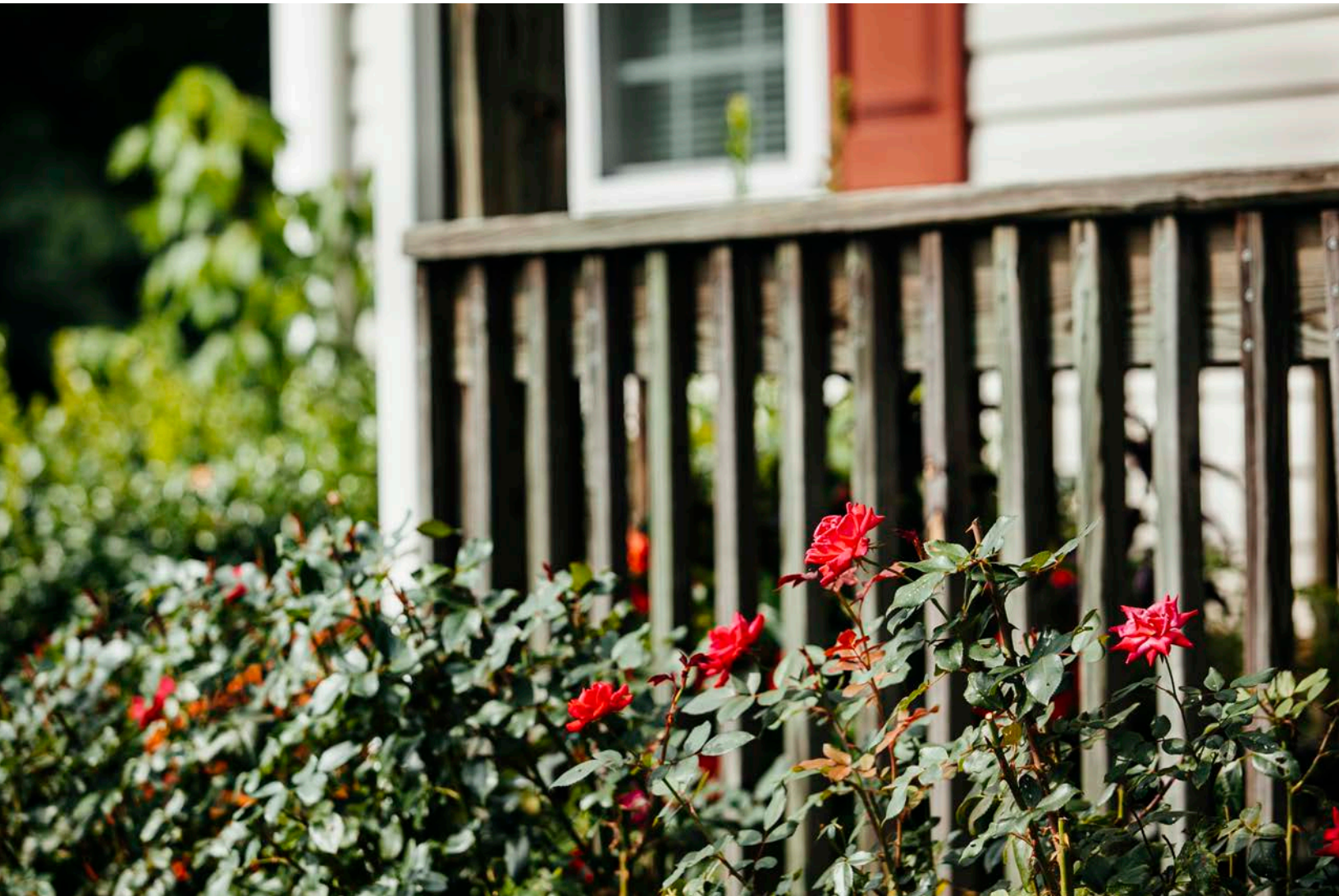
– Fran Power



RENTAL OPPORTUNITIES

In addition to homeowner education and consulting services, Knox Housing Partnership offers high quality, affordable, and accessible rental opportunities throughout Knoxville and the East Tennessee region.

Whether it is a single-family home or a highly efficient, zero-step apartment complex for seniors, KHP prides itself on being responsible landlords committed to the success of our residents and the rental communities they call home.



RENTAL OPPORTUNITIES

Dutch Valley View Complex

Dutch Valley View is beautifully designed for energy efficiency and accessibility and a LEED for Homes gold certified development. Each of the six units is two-story with three bedrooms and two baths; two of the six are ADA-compliant units built to accommodate those individuals with special audio, visual, and mobility needs.



Riverbirch Village – Senior Community

RiverBirch Village is a private senior community that offers 40 units (two-bedroom), ornamental fencing around the property, a gazebo in the common area, professional landscaping, ample parking, and a community activities room with kitchen.



Willow Place – Senior Community

Willow Place brings a country-like setting and a new way of life for active seniors 55 years and older. All units are equipped with stove, refrigerator and dishwasher. There is a 2,000-square foot community room with kitchen, gathering area, and library.



Blueberry Ridge – Senior Community

Blueberry Ridge Senior Community has received LEED for Homes Platinum certification and ENERGY STAR certification, which provides significant reduction in utilities cost for residents.

In addition, Blueberry Ridge offers a community garden and specialized barrels for the collection of rainwater to be used for the garden. Residents enjoy a walking trail, professional landscaping, ample parking, and a common area with a gazebo and a grill.





Bill Penland, a local architect, discusses the layout of Nevada Heights Apartments during a design charrette. KHP employs architects, engineers, landscapers, lawn maintenance companies and many, many other local businesses through the course of the organization's work.

Mountain Housing Partnership

Mountain Housing Partnership is Knox Housing Partnership's outreach into rural East Tennessee, offering affordable housing to low-income homebuyers and renters.

In the last four years alone, KHP has:

- Acquired seven single family homes in Blount and Campbell Counties, which KHP has rehabilitated and now rents to low-income families,
- Acquired three homes in Grainger and Hamblen Counties, which KHP rehabilitated and sold to first-time homebuyers,
- Provided foreclosure prevention or homebuyer counseling to 793 households OUTSIDE of Knox County.

Knox Housing Partnerships Economic Impact Report – 2013

Economic Impact of doing business	
Total amount paid out to businesses	\$863,640
Total amount paid to small businesses in East Tennessee:	\$558,237
Local property taxes paid:	\$57,645
Total businesses assisted:	56
Local Vendors:	45

Economic Impact of Foreclosure Prevention	
Estimated average cost of Foreclosure—including tax loss, loss to lender, loss to homeowner, and loss equity for neighboring properties*:	\$50,000
Homes saved in 2013:	225
Total estimated savings in cost of foreclosure:	\$11,250,000
<i>*2008 Study, Joint Economic Committee of Congress</i>	

Job Creation	
New houses built:	3
NAHB estimate on jobs created per new house:	3.05
Jobs create through new development:	9.15
Rehabilitated homes:	5
NAHB estimate on jobs created per rehabilitated homes:	1.11
Jobs created through rehabilitation:	5.55
Jobs provided directly through KHP:	10
Total direct job creation:	24.7

Knox Housing Partnership, Inc. Summary of Consolidated Financial Statements (Unaudited)
Fiscal Year January 1, 2013 - December31, 2013

Balance Sheet

ASSETS	
Cash & Cash Equivalents	1,134,928
Accounts Receivable	22,172
Due from Affiliate	239,123
Prepaid Expenses	21,794
Customer Loans	11,985
Construction in Progress	239,881
Net Fixed Assets	8,340,452
Other Assets	1,668,148
TOTAL ASSETS	11,678,482

LIABILITIES & FUND BALANCES	
Accounts Payable & Accrued Expenses	95,215
Loans Payable - Short-Term	132,531
Lines of Credit	221,127
Prepaid Tenant Rent	2,703
Deferred Revenue- Grants & Contracts	50,000
Loans Payable - Long-Term	1,511,980
Forgivable Loans - Long-Term	1,299,422
Deferred Payment Loans - Long-Term	263,136
Security Deposits - Rentals	46,236
Unrestricted Net Assets	(137,955)
Temporarily Restricted Net Assets	6,590,374
Permanently Restricted Net Assets	1,603,715
TOTAL LIABILITIES & FUND BALANCE	11,678,482

Statement of Activities

REVENUE	
Program Fees	312,379
Development Fees	37,314
Rental Income	524,722
Contributions	34,519
Oper Contracts & Grants	155,170
Construction & Dev Contracts & Grants	278,261
Interest & Dividend Income	40,845
Gain from Sale of Properties Developed	177,149
Other Revenue	10,829
TOTAL REVENUE	1,571,186

EXPENSES	
Program Services	1,456,333
Management & General	22,059
TOTAL EXPENSES	1,478,391

EXCESS OF REVENUE OVER EXPENSES	92,795
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REVENUE SUMMARY - 2013	
Earned Revenue	1,051,564
Operating Contracts & Grants	155,170
Const & Development Contratcts & Grants	278,261
Contributions	34,519
Other	51,674
TOTAL REVENUE	1,571,186

By supporting Knox Housing Partnership, you are helping build stronger communities and assisting individuals, families, and seniors of modest means achieve their dream of owning a home or renting a high quality affordable place to live.

Why affordable housing is vital to thriving communities

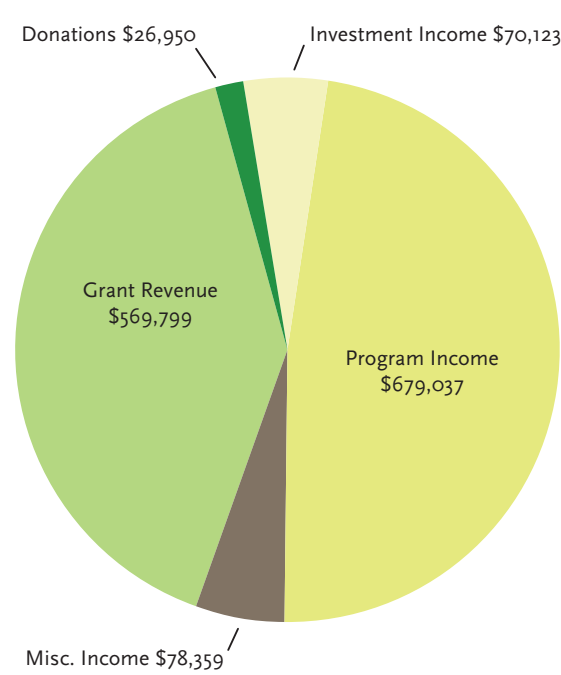
Census data show children of homeowners are 5% more likely to be in school after age 17 than are children of similar renter families. Young children of homeowners do better in math and reading. This is particularly pronounced in the children of minority homeowners. The effect of homeownership on children has so many positive benefits that it is critical we work together to help families reach their dream of homeownership.

How KHP is making a difference

Knox Housing Partnership offers first-time homebuyer programs, financial management training, pre-purchase counseling, foreclosure prevention counseling, new apartment and housing developments, and affordable renting opportunities for residents of Knoxville and the East Tennessee region.

Every dollar in KHP’s budget is important to the success of KHP’s mission, and we use each dollar as efficiently as possible to provide KHP’s services to the community.

Composition of KHP’s resource streams



How to Help

- In KHP’s past, the organization has been able to accomplish much with the use of federal grant funding. But as federal grant funding continues to decline, the need for private donations increases.
- Please consider supporting the efforts of Knox Housing Partnership to provide sustainable and affordable housing opportunities for our neighbors in Knoxville and the East Tennessee region communities!
- Make a tax-deductible donation by visiting <http://www.khp.org> or sending a check to KHP, 109 Winona Street, Knoxville, TN 37917.
 - Volunteer your time, skills, and knowledge
 - Organize a fundraiser
 - Provide free legal services
 - Design a brochure
 - Post KHP news on Twitter or Facebook
 - Support a scholarship fund for Homebuyer Education or Financial Literacy classes
 - Be an ambassador for KHP – spread the word about KHP’s services to your family, friends and neighbors

FUNDERS AND SUPPORTERS

Below is a list of some of our many generous partners, funders, and supporters.

This list represents only a handful of the organizations that KHP works with in partnership to fulfill our mission of strengthening communities by providing sustainable housing opportunities.





Strengthening our communities
by providing sustainable housing
opportunities

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