

**Certification by State or Local  
 Official of PHA Plans Consistency  
 with the Consolidated Plan or  
 State Consolidated Plan  
 (All PHAs)**

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

**Certification by State or Local Official of PHA Plans  
 Consistency with the Consolidated Plan or State Consolidated Plan**

I, Paul Montgomery, the Mayor of Kingsport  
*Official's Name Official's Title*

certify that the 5-Year PHA Plan for fiscal years 2021-2025 and/or Annual PHA Plan for fiscal year 2025-2026 of the Kingsport Housing & Redevelopment Authority is consistent with the  
*PHA Name*

Consolidated Plan or State Consolidated Plan including the Analysis of Impediments (AI) to Fair Housing Choice or Assessment of Fair Housing (AFH) as applicable to the

City of Kingsport  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91 and 24 CFR § 903.15.

Provide a description of how the PHA Plan's contents are consistent with the Consolidated Plan or State Consolidated Plan.

The State of Tennessee Consolidated Plan key goals provide for the development of decent housing, the development of suitable living environments, the expansion of economic opportunities, and the improvement of the effectiveness of programs. This is consistent with KHRA's mission to transform and empower our communities and help Tennesseans build communities of opportunity.

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 Authorized Official:	Title:
Paul Montgomery	Mayor of Kingsport
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 consistency with the consolidated plan or state consolidated plan.

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.

**Streamlined Annual  
PHA Plan  
(HCV Only PHAs)**

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

OMB No. 2577-0226  
Expires 03/31/2024

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

**Applicability.** The Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

**Definitions.**

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

<b>A.</b>	<b>PHA Information.</b>				
A.1	PHA Name: <u>Kingsport Housing &amp; Redevelopment Authority</u> PHA Code: <u>TN006</u> PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>4/2025</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Housing Choice Vouchers (HCVs) <u>1811</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission				
<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 of 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 the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website.</p>					
<input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a joint 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
	Lead HA:				

<b>B.</b>	<b>Plan Elements.</b>
<b>B.1</b>	<p><b>Revision of Existing PHA Plan Elements.</b></p> <p>a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Informal Review and Hearing Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification.</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each element(s):</p>
<b>B.2</b>	<b>New Activities. – Not Applicable</b>
<b>B.3</b>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in its 5-Year PHA Plan.  The PHA has maintained its focus to transform and empower our community. KHRA is working toward obtaining High Performer Status. Please see attached Exhibit B.3 for more information.</p>
<b>B.4</b>	<b>Capital Improvements. – Not Applicable</b>
<b>B.5</b>	<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 N/A</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>A narrative explaining the finding from the most recent audit (Exhibit B.5 KHRA Audit Narrative) and the 3/31/24 KHRA Audit (Exhibit B.5 KHRA 2024 Fiscal Year Audit) are attached.</p>
<b>C.</b>	<b>Other Document and/or Certification Requirements.</b>
<b>C.1</b>	<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</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<b>C.2</b>	<p><b>Certification by State or Local Officials.</b></p> <p>Form HUD-50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<b>C.3</b>	<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>

C.4	<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 style="text-align: center;">Y    N  <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>
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**D. Affirmatively Furthering Fair Housing (AFFH).**

**D.1 Affirmatively Furthering Fair Housing (AFFH).**

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

**Fair Housing Goal: Nondiscrimination**

Describe fair housing strategies and actions to achieve the goal

The PHA implements policies and procedures within the KHRH Admin plan to affirmatively further fair housing. Chapter 2 of the KHRH Admin plan details these goals and policies. Full PHA Policy attached as Exhibit D.1 Part 1 – Nondiscrimination.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes")

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12; Executive Order 13988].

**PHA Policy**

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Subject anyone to sexual harassment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

The PHA provides civil rights information to families and owners through briefings:

- All briefing packets contain Fair Housing brochures complete with descriptions, resources, contact information for legal aid, etc.
- The PHA has a written policy regarding discrimination complaints and procedures
  - The PHA provides written documentation in all briefing packets detailing how to file grievance procedures for tenants and landlords.

## **Fair Housing Goal: Provide Persons with Disabilities Equal Opportunity**

### **Describe fair housing strategies and actions to achieve the goal**

The PHA ensures that persons with disabilities have full access to the PHA's programs and services and continues through every aspect of the program. Full PHA Policy attached as Exhibit D.1 Part 2 – Policies Related to Persons with Disabilities.

#### **PHA Policy**

**The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:**

**“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”**

**A specific name and phone number of designated staff will be provided to process requests for accommodation.**

**The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.**

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

- The KHRA Admin plan details the process by which an applicant or participants may request a reasonable accommodation.
  - The PHA will encourage the family to make its request in writing using a reasonable accommodation request form.
  - However, the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.
  - Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.
  - When verifying a disability, the PHA will follow the verification policies provided in Chapter 7 of the KHRA Admin Plan. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 of the KHRA Admin Plan. In addition to the general requirements that govern all verification efforts
  - After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days
  - The PHA provides TTD/TTY communication to meet the needs of persons with hearing impairments
  - To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.
  - Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third-party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

The PHA provides physical accessibility per Section 504 requirements, in accordance with Notice PIH- 2010-26, the Americans with Disabilities Act, The Architectural Barriers Act, Uniform Federal Accessibility Standards (UFAS), and the Fair Housing Act

## **Fair Housing Goal: Improve Access for Persons with Limited English Proficiency (LEP)**

### **Describe fair housing strategies and actions to achieve the goal**

The PHA takes affirmative steps to communicate with people who need services or information in a language other than English by offering competent interpretation services free of charge, upon request, to the LEP person.

In order to determine the level of access needed by LEP persons, the PHA will use the four-factor analysis to ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA. Full PHA Policy is attached as Exhibit D.1 Part 3 -Improving Access to Services for Persons with LEP.

To improve access to LEP persons, the policy regarding Oral Interpretation is as follows:

#### **PHA Policy**

**The PHA will utilize a language line for telephone interpreter services.**

**When exercising the option to conduct remote briefings, informal reviews, or hearings, however, the PHA will coordinate with a remote interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation.**

**Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The PHA, at its discretion, may choose to use the language services even when LEP persons desire to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, the PHA will not rely on the minor to serve as the interpreter.**

**The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.**

**Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.**

To improve access to LEP persons, the policy regarding Written Translation is as follows:

#### **PHA Policy**

**In order to comply with written-translation obligations, the PHA will take the following steps:**

**The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or**

**If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.**

- If the PHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the PHA's Housing Choice Voucher program and services.
- The PHA employs one full-time bilingual (Spanish and English) employee who can provide oral translation services
- The PHA utilizes area translation services such as Tri-Cities Bilingual in the event that the on-staff person is unavailable.

The PHA has determined that it serves very few LEP persons and has limited resources, so the PHA does not have a written LEP plan. In the absence of a written plan, the PHA will still consider alternative ways to articulate, in a reasonable manner, a plan for providing meaningful access to any LEP clients it serves.

# Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV-Only PHAs

## A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

**A.1** Include the full PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), Number of Housing Choice Vouchers (HCVs), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the public hearing and proposed PHA Plan.

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

## B. Plan Elements. All PHAs must complete this section. (24 CFR §903.11(c)(3))

### B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

**Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR 5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR § 903.7(a)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA’s reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

**Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. (24 CFR §903.7(b))

**Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

**Rent Determination.** A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. (24 CFR §903.7(d))

**Operation and Management.** A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. (24 CFR §903.7(e)).

**Informal Review and Hearing Procedures.** A description of the informal hearing and review procedures that the PHA makes available to its applicants. (24 CFR §903.7(f))

**Homeownership Programs.** A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

**Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.** A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA’s partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA’s partnerships with other entities, and activities subject to Section 3 of the Housing and Community Development Act of 1968 (24 CFR Part 135) and under requirements for the Family Self-Sufficiency Program and others. Include the program’s size (including required and actual size of the FSS program) and means of allocating assistance to households. (24 CFR §903.7(l)(i)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. (24 CFR §903.7(l)(iii)).

**Substantial Deviation.** PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

**Significant Amendment/Modification.** PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan.

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

**B.2 New Activities.** This section refers to new capital activities which is not applicable for HCV-Only PHAs.

**B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.11(c)(3), 24 CFR §903.7(r)(1))

**B.4 Capital Improvements.** This section refers to PHAs that receive funding from the Capital Fund Program (CFP) which is not applicable for HCV-Only PHAs

**B.5 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

**C. Other Document and/or Certification Requirements.**

**C.1 Resident Advisory Board (RAB) comments.** If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

**C.2 Certification by State of Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

**C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; or 24 CFR 5.160(a)(3) as applicable (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

**C.4 Challenged Elements.** If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

**D. Affirmatively Furthering Fair Housing (AFFH).**

**D.1 Affirmatively Furthering Fair Housing.** The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' ... PHA Plans (including any plans incorporated therein) ... Strategies and actions must affirmatively further fair housing ...." Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own 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 maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides 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 for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 6.02 hour 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.



**Privacy Act Notice.** 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



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

January 9, 2024

Terry Cunningham  
Executive Director  
Kingsport Housing Redevelopment Agency  
906 East Sevier Avenue  
Kingsport, TN 37660

Dear Terry Cunningham:

The Department of Housing and Urban Development (HUD) reviewed the Kingsport Housing Redevelopment Agency (KHRA) request submitted pursuant to **Notice PIH 2023-29, “Certain Regulatory Waivers for the Housing Choice Voucher (including Mainstream) Program and Streamlined Review Process.”** The Notice provided instructions on the streamlined processing of public housing authority (PHA) requests to use specific regulatory waivers for the Housing Choice Voucher (HCV) (including Mainstream) program.

The waivers available under Notice PIH 2023-29 are included in Table 1.

**Table 1. List of streamlined regulatory waivers.**

Item	Waiver Name	Regulation(s)	Alternative requirement
(A)	Exception payment standards up to 120 percent of the SAFMRs for PHAs that are in mandatory SAFMR areas or have voluntarily chosen to adopt SAFMRs (“Opt-in PHAs”)	24 CFR 982.503(b)(1)(iv)	The PHA may establish exception payment standards up to 120 percent of its applicable FY 2024 SAFMRs.
(B)	Exception payment standards up to 120 percent of the FMR	24 CFR 982.503(c)(1)-(2) and (4)-(5)	The PHA may establish exception payment standards up to 120 percent of their applicable FY 2024 FMRs.
(C)	Exception payment standards up to 120 percent for PHAs that are currently approved for exception payment standard SAFMRs	24 CFR 982.503(b)(1)(iii)	The PHA may establish exception payment standards up to 120 percent of its applicable FY 2024 SAFMRs.
(D)	Applying an increase in the payment standard during the HAP contract term	24 CFR 982.505(c)(4)	The PHA may increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.

**KHRA's** application was submitted by an authorized official and included **KHRA's** justifications for the waiver(s) to be granted.

Notice PIH 2023-29 specifies that for waivers A, B, and C, good cause justification requires that the PHA must meet at least one of the following criteria:

- Fewer than 80 percent of the families to whom the PHA issued tenant-based rental vouchers during the most recent 12-month period for which there is success rate data available have become participants in the voucher program; or
- More than 40 percent of families with tenant-based rental assistance administered by the agency pay more than 30 percent of adjusted income as the family share.

Additionally, for all waivers, the PHA must describe the good cause justification that must include (a) why a PHA needs the waiver; (b) the impact on PHA operations or applicants if the waiver is not provided. Additionally, the request must include the requested duration of the waiver, which may not exceed December 31, 2024.

Table 2 indicates which waiver(s) **KHRA** requested as well as HUD's determination of the waiver approval or denial. After reviewing the waiver request(s) and considering **KHRA** stated justification(s) of good cause, HUD: (1) finds there is good cause to waive, and hereby waives, the regulations and/or requirements marked "APPROVED" in the "Waiver Status" column and/or (2) finds there is not good cause to waive, and therefore does not waive, the regulations and/or requirements marked "NOT APPROVED" in the "Waiver Status" column.

**Table 2. List of streamlined regulatory waivers and HUD's determination:**

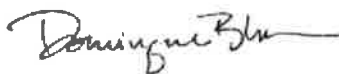
Item	Waiver Name	Regulation(s)	Alternative requirement	Waiver requested?	Waiver status/term expiration
(A)	Exception payment standards up to 120 percent of the SAFMRs for PHAs that are in mandatory SAFMR areas or have voluntarily chosen to adopt SAFMRs ("Opt-in PHAs")	24 CFR 982.503(b)(1)(iv)	The PHA may establish exception payment standards up to 120 percent of its applicable FY 2024 SAFMRs.		
(B)	Exception payment standards up to 120 percent of the FMR	24 CFR 982.503(c)(1)-(2) and (4)-(5)	The PHA may establish exception payment standards up to 120 percent of their applicable FY 2024 FMRs.	YES	APPROVED: Expiration 12/31/2024

Item	Waiver Name	Regulation(s)	Alternative requirement	Waiver requested?	Waiver status/term expiration
(C)	Exception payment standards up to 120 percent for PHAs that are currently approved for exception payment standard SAFMRs	24 CFR 982.503(b)(1)(iii)	The PHA may establish exception payment standards up to 120 percent of its applicable FY 2024 SAFMRs.	YES	APPROVED: Expiration 12/31/2024
(D)	Applying an increase in the payment standard during the HAP contract term	24 CFR 982.505(c)(4)	The PHA may increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.		

All waiver approvals are set to expire at the end of the term requested or December 31, 2024, whichever is earliest, unless an alternative limit is provided by HUD.

Should you have any questions, please contact the Waiver Processing Team at [PIH\\_Expedited\\_Waivers@hud.gov](mailto:PIH_Expedited_Waivers@hud.gov).

Sincerely,



Dominique Blom  
General Deputy Assistant Secretary



KINGSFORT HOUSING & REDEVELOPMENT AUTHORITY

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**Financial Statements & Independent Auditors' Report**

**For the Year Ended March 31, 2024**



**smithmarion**

# Kingsport Housing and Redevelopment Authority

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For the Year Ended March 31, 2024

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**smithmarion**  
connected · focused · understandable

**Board of Commissioners**

Kingsport Housing and Redevelopment Authority  
Kingsport, TN

**Independent Auditors' Report**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the business-type activities, the combining statements-business activities, and the aggregate discretely presented component units of Kingsport Housing and Redevelopment Authority, as of and for the year ended March 31, 2024, and the related notes to financial statements, which collectively comprise Kingsport Housing and Redevelopment Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component units of Kingsport Housing and Redevelopment Authority, as of March 31, 2024, and the respective changes in financial position and, where applicable, cash flows 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 the discretely presented component units (Myrtle St Management L.L.C.), which represent 87 percent, 80 percent, and 92 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for Kingsport Housing and Redevelopment Authority, is based solely on the report of the other auditors.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kingsport Housing and Redevelopment Authority, 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 the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

***Responsibilities of Management for the Financial Statements***

Kingsport Housing and Redevelopment Authority's 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 Kingsport Housing and Redevelopment Authority'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 GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 the Kingsport Housing and Redevelopment Authority'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 the Kingsport Housing and Redevelopment Authority'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, on pages i-vii, 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 Kingsport Housing and Redevelopment Authority's basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules list on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the schedules list on the table of contents 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedules list on the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of Kingsport Housing and Redevelopment Authority'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 Kingsport Housing and Redevelopment Authority'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 Kingsport Housing and Redevelopment Authority's internal control over financial reporting and compliance.

September 23, 2024

# **KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

### **FISCAL YEAR ENDED MARCH 31, 2024**

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the Fiscal Year Ended March 31, 2024.

#### **FINANCIAL HIGHLIGHTS AND CONCLUSIONS:**

The Kingsport Housing & Redevelopment Authority has made the transition to the Governmental Accounting Standards Board Statement No. 34 (GASB 34) in prior periods which require this executive narrative. The financial statements for 2024 have been reviewed by key management staff to assess the financial health of the Authority. The reader of this report should also understand that the interfund accounts, which balance between all funds, have been eliminated from the consolidated report and from this analysis. Financial highlights of this past year are as follows:

- During FY 2024, the Authority's grant funding increased by \$1,252,045 or 11.66% from FY 2023.
- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$22,932,767 (net position) as opposed to \$22,470,149 for the prior fiscal year, an increase of \$462,618 or 2.06%.
- The Authority's cash and investments balance increased by \$650,294 as a result of the timing of the April funding for HAP and administrative fee revenue for Housing Choice Voucher. The funding is shown as deferred inflows in the current year.
- Total revenues increased by \$891,817 or 6.88%, while total expenses increased by \$730,622 or 5.77%.

#### **REQUIRED FINANCIAL STATEMENTS:**

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations, investing, and financing activities.

#### FINANCIAL ANALYSIS OF THE AUTHORITY:

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table I.

**Kingsport Housing & Redevelopment Authority**  
**Comparative Statement of Net Position**  
Table I

	2024	2023	Change	
			Dollar	Percentage
<b>ASSETS</b>				
Current assets	\$ 4,488,000	\$ 3,439,238	\$ 1,048,762	30.49%
Capital & non-current assets	22,780,297	22,559,048	221,249	0.98%
Total assets	27,268,297	25,998,286	1,270,011	4.88%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	-	-	0.00%
<b>LIABILITIES</b>				
Current liabilities	326,199	1,716,309	(1,390,110)	-80.99%
Non-current liabilities	3,221,838	1,811,828	1,410,010	77.82%
Total liabilities	3,548,037	3,528,137	19,900	0.56%
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	787,493	-	787,493	0.00%
<b>NET POSITION</b>				
Investment in capital assets	5,535,831	5,393,992	141,839	2.63%
Restricted net position	14,550,310	14,710,455	(160,145)	0.00%
Unrestricted net position	2,846,626	2,365,702	480,924	20.33%
Total net position	\$ 22,932,767	\$ 22,470,149	\$ 462,618	2.06%

Total assets increased by \$1,270,011 or 4.88%, total liabilities increased by \$19,900 or 0.56%, and the overall net position increased by \$462,618 or 2.06%.

Current Assets increased by \$1,048,762 or 30.49%. The primary increase was due to increased accounts receivable of \$494,070 or 30.85% due to receivables from component units. This increase in receivables was interim financing to help fund development and tax credit properties. Capital Assets increased by \$221,907 or 2.63%, which was due to increases in administrative furniture and equipment and construction in progress.

Current Liabilities decreased by \$1,390,110 or -80.99%, while noncurrent liabilities increased by \$1,410,010 or 77.82% which is mainly due to the due dates of outstanding debt.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position breaks down our revenues and expenses further. Table II, which follows, provides a comparative statement of these changes:

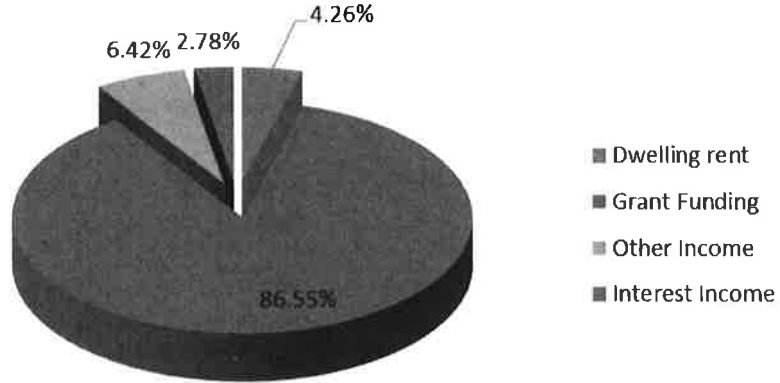
**Kingsport Housing & Redevelopment Authority**  
**Comparative Statement of Revenues, Expenses, and Changes in Net Position**  
**Table II**

	2024	2023	Change	
			Dollar	Percentage
Dwelling rent	\$ 589,508	\$ 351,500	\$ 238,008	67.71%
Government grants	11,986,592	10,734,547	1,252,045	11.66%
Other income	888,588	1,503,272	(614,684)	-40.89%
Interest income	385,152	368,704	16,448	4.46%
<b>TOTAL REVENUES</b>	<b>13,849,840</b>	<b>12,958,023</b>	<b>891,817</b>	<b>6.88%</b>
Administration	2,279,964	1,946,602	333,362	17.13%
Tenant services	69,202	376,382	(307,180)	-81.61%
Utilities	181,888	162,594	19,294	11.87%
Maintenance and operations	592,978	705,013	(112,035)	-15.89%
Insurance	97,611	115,640	(18,029)	-15.59%
Other expenses	739,966	638,235	101,731	15.94%
Housing Assistance Payments	9,093,415	8,353,314	740,101	8.86%
Depreciation	198,847	197,045	1,802	0.91%
Interest expense	133,351	161,775	(28,424)	-17.57%
<b>TOTAL EXPENSES</b>	<b>13,387,222</b>	<b>12,656,600</b>	<b>730,622</b>	<b>5.77%</b>
<b>CHANGE IN NET POSITION</b>	<b>462,618</b>	<b>301,423</b>	<b>\$ 161,195</b>	<b>53.48%</b>
<b>BEGINNING NET POSITION</b>	<b>22,470,149</b>	<b>22,168,726</b>		
<b>ENDING NET POSITION</b>	<b>\$ 22,932,767</b>	<b>\$ 22,470,149</b>		

**REVENUES:**

In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 86% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other government sources. The Authority received revenue from tenants for dwelling rental charges and miscellaneous charges comprising 4% of total revenue. Other Revenue including Interest from Investments, management fees and other income comprise the remaining 10%. Compared to the Fiscal Year Ended March 31, 2023, Total Revenues increased by \$891,817 or 6.88%.

### 2024 Revenues



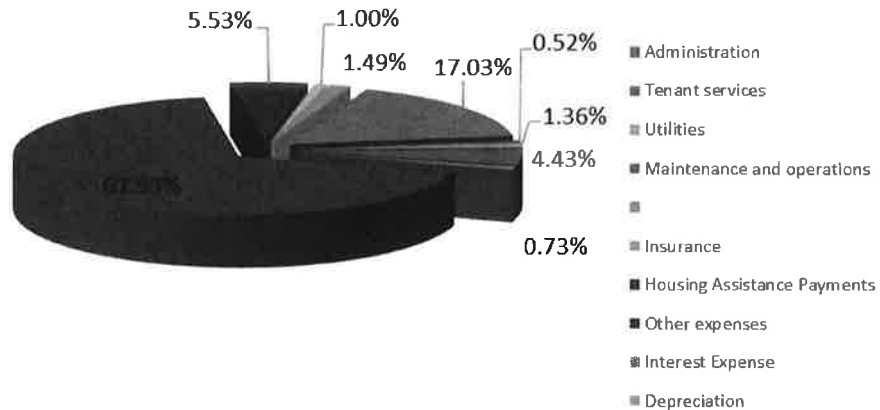
**Tenant Revenue** – Total tenant revenues, rents and other charges, less bad debt expense, increased by \$238,008 or 67.71%.

**Program Grants/Subsidies** – The Authority had an increase of \$1,252,045 or 11.66% in government grants, primarily due to an increase in Housing Choice Voucher funding of \$849,058, Emergency Shelter Grant program funding increase of \$152,990 and Continuum of Care Program increase of \$412,907.

**Interest and Other Income** – Other revenue decreased by \$614,684 mainly due to decrease in component unit other income during the year.

### EXPENSES:

### 2024 Expenses



The Kingsport Housing and Redevelopment Authority experienced an increase in Total Expenses for the current year of \$730,622 or 5.77%. The highlights of the expenses for the current year were as follows:

**Administrative** – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2023, administrative costs increased by \$333,362 or 17.13%, mainly due to increase in management and bookkeeping fees.

**Tenant Services** – Tenant services costs include all costs incurred by the Authority to provide social services to the residents. Tenant services costs decreased by \$307,180 or 81.61% due to renovations and transfer of public housing to tax credit properties.

**Utilities** – The total utilities expense for the Authority increased by \$19,294 or 11.87%.

**Maintenance** – Maintenance costs are all costs incurred by the Authority to maintain the Public Housing units available for occupancy, which are owned by the Authority, in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management, casualty losses, extraordinary maintenance, etc. Maintenance expenses decreased by \$112,035 or 15.89% due to decreased contract costs and materials.

**General Expenses** – General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, etc.), compensated absences, other general expenses, and PILOT. General expenses increased by \$101,731 due mainly to an increase in other general expense related to development activities in the current year.

**Interest and Amortization Expenses** – Financial expenses include interest expense on notes payable and mortgages payable and bond amortization. During FY 2024, financial expense decreased by \$28,424 or 17.57% as the principal balance on outstanding debt decreases.

**Housing Assistance Program Payments** – HAP payments consists of rental payments to owners of private property for which the housing authority has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. During the year, the HAP expense increased by \$740,101 or 8.86% due to increased utilization and per unit costs.

**Depreciation** – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items are recorded as depreciation. Depreciation expense for the current year increased by \$1,802 or 0.91%.

**CAPITAL ASSETS:**

A statement of capital asset activity is shown below for 2022 and 2023.

**Kingsport Housing & Redevelopment Authority  
Comparative Statement of Capital Assets  
Table III**

	2024	2023	Change	
			Dollar	Percentage
Land	\$ 5,795,406	\$ 5,795,406	\$ -	0.00%
Buildings and improvements	4,986,199	4,986,199	-	0.00%
Equipment	435,775	384,769	51,006	13.26%
Construction in progress	510,830	141,082	369,748	0.00%
	<u>11,728,210</u>	<u>11,307,456</u>	<u>420,754</u>	<u>3.72%</u>
Accumulated depreciation	(3,071,109)	(2,872,262)	(198,847)	6.92%
Net capital assets	<u>\$ 8,657,101</u>	<u>\$ 8,435,194</u>	<u>\$ 221,907</u>	<u>2.63%</u>

Balance at April 1, 2023	\$ 8,435,194
Capital Asset Purchases	420,754
Depreciation Expense	<u>(198,847)</u>
Balance at March 31, 2024	<u>\$ 8,657,101</u>

**DEBT ADMINISTRATION:**

As of March 31, 2024, the Kingsport Housing & Redevelopment Authority had \$3,121,270 of debt outstanding, an increase of \$80,068 or 2.63%. During the year, an increase in principal balance of \$192,065 was issued. The following is a summary in the changes of total debt obligations for the year ended March 31, 2024:

Balance at the beginning of the period	\$ 3,041,202
Debt issued	192,065
Principal payments	<u>(111,997)</u>
Balance at March 31, 2024	<u>\$ 3,121,270</u>

**ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:**

The current inflation rate in the United States is the highest it has been in over forty years. This is causing prices to skyrocket and is making it more expensive for the Housing Authority to operate and may make it more difficult for tenants to pay their rent. The inflation rate has decreased during the current year, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

**CONCLUSIONS:**

Overall, the Kingsport Housing & Redevelopment Authority is making the transition to the new financial environment. Its management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Kingsport, TN, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may write to the Kingsport Housing & Redevelopment Authority, Terry W. Cunningham, Executive Director, PO Box 44, Kingsport, TN 37662.



## Kingsport Housing and Redevelopment Authority

Statement of Net Position

March 31, 2024

	Primary Government	Discretely Presented Component Units
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 536,834	\$ 2,591,299
Restricted	1,419,145	1,855,478
<b>Subtotal</b>	<b>1,955,979</b>	<b>4,446,777</b>
Certificates of Deposit	200,000	-
Accounts receivable, net	2,285,384	349,539
Prepaid expenses	46,637	-
Notes and lease receivable current	-	-
<b>Total Current Assets</b>	<b>4,488,000</b>	<b>4,796,316</b>
<b>Non-Current Assets</b>		
Notes and leases receivable	14,117,440	-
Intangibles, net	5,756	294,742
Capital assets, net	8,657,101	42,807,652
<b>Total Non-Current Assets</b>	<b>22,780,297</b>	<b>43,102,394</b>
<b>TOTAL ASSETS</b>	<b>27,268,297</b>	<b>47,898,710</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	-	-
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	102,279	465,790
Accrued liabilities	39,572	1,507,660
Deposits held in trust	10,176	87,206
Compensated absences current	6,628	-
Unearned revenue	8,163	11,864
Other liabilities current	11,682	395,061
Debt payable current	147,699	22,360
<b>Total Current Liabilities</b>	<b>326,199</b>	<b>2,489,941</b>
<b>Non-Current Liabilities</b>		
Compensated absences	59,661	-
Funds held in trust	188,606	-
Debt payable	2,973,571	38,473,741
<b>Total Non-Current Liabilities</b>	<b>3,221,838</b>	<b>38,473,741</b>
<b>TOTAL LIABILITIES</b>	<b>3,548,037</b>	<b>40,963,682</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	787,493	-
<b>NET POSITION</b>		
Net investment in capital assets	5,535,831	4,394,847
Restricted	14,550,310	1,768,272
Unrestricted	2,846,626	771,909
<b>TOTAL NET POSITION</b>	<b>\$ 22,932,767</b>	<b>\$ 6,935,028</b>

**Kingsport Housing and Redevelopment Authority**  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended March 31, 2024

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
<b>Operating Revenues</b>		
Rental revenues, net	\$ 589,508	\$ 4,182,713
Government grants	11,986,592	-
Other income	888,588	18,527
<b>Total Operating Revenues</b>	<u><b>13,464,688</b></u>	<u><b>4,201,240</b></u>
<b>Operating Expenses</b>		
Administration	2,279,964	1,065,538
Tenant services	69,202	2,335
Utilities	181,888	1,085,157
Maintenance and operations	592,978	1,119,395
Insurance expense	97,611	297,674
General expense	739,966	421,575
Housing Assistance Payments	9,093,415	-
Depreciation and amortization	198,847	1,770,749
<b>Total Operating Expenses</b>	<u><b>13,253,871</b></u>	<u><b>5,762,423</b></u>
<b>NET OPERATING INCOME (LOSS)</b>	<u><b>210,817</b></u>	<u><b>(1,561,183)</b></u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	385,152	98
Interest expense	(133,351)	(1,072,353)
<b>Total Non-Operating Revenues (Expenses)</b>	<u><b>251,801</b></u>	<u><b>(1,072,255)</b></u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u><b>462,618</b></u>	<u><b>(2,633,438)</b></u>
<b>Capital Contributions and Transfers</b>		
Capital contributions	-	-
Transfers	-	-
<b>Total Capital Contributions and Transfers</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>CHANGE IN NET POSITION</b>	<u><b>462,618</b></u>	<u><b>(2,633,438)</b></u>
<b>BEGINNING NET POSITION</b>	<u><b>22,470,149</b></u>	<u><b>9,568,466</b></u>
<b>ENDING NET POSITION</b>	<u><b>\$ 22,932,767</b></u>	<u><b>\$ 6,935,028</b></u>

**Kingsport Housing and Redevelopment Authority**

Statement of Cash Flows  
For the Year Ended March 31, 2024

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from tenants and users	\$ 408,756
Receipts from operating grants	13,281,887
Payments for goods and services	(3,631,291)
Payments for Housing Assistance Payments	(9,098,847)
Payments to employees for services	(1,389,967)
<b>NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>(429,462)</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital asset purchases	(143,008)
Payments on leases and loans	(737,595)
Proceeds from loans	854,453
Capital contributions and transfers	-
<b>NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>(26,150)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from investment activities	385,152
Interfunds	720,753
(Purchase) or redemption of CD	-
<b>NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>1,105,905</u></b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>650,293</b>
<b>BEGINNING CASH</b>	<b><u>1,305,686</u></b>
<b>ENDING CASH</b>	<b><u>\$ 1,955,979</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 210,817
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Depreciation	198,847
<b>Change in Assets and Liabilities</b>	
(Increase) decrease in accounts receivable	(507,464)
(Increase) decrease in inventory and prepaid	32,256
Increase (decrease) in accounts payable	(344,131)
Increase (decrease) in accrued liabilities	(10,424)
Increase (decrease) in unearned revenue	(453)
Increase (decrease) in deposits held in trust	(8,910)
<b>Total Adjustments</b>	<b><u>(640,279)</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (429,462)</u></b>
<b>Interest Paid</b>	<b><u>\$ 133,351</u></b>

**Exhibit B.1.b Rent Determination**

The Agency Plan Handbook specifies that PHAs can set the Section 8 voucher payment standard (or maximum subsidy level) at a level from 90% to 110% of the Fair Market Rent. Kingsport Housing & Redevelopment Authority, with HUD guidance, made the discretionary choice to increase the Voucher Payment Standard to 120% of Fair Market Rent during fiscal year 2024. The Voucher Payment Standard was increased to better accommodate the inflating rental prices posed by the rental stock shortage within this region.

KHRA was approved by HUD to implement the following streamlined waiver request in reference to HUD notice PIH 2023-29:

1. Waiver to regulation 982.503(b) to increase our voucher payment standard to 120% of the Fair Market Rent.
2. Waiver to regulation 982.503(b)(1)(iii) to increase the SAFMR to 120% of the Fair Market Rent.

The KHRA Board of Commissioners voted to approve the Voucher Payment Standard to 120% of Fair Market Value in the 2024 fiscal plan year with the below resolution:

**Resolution 2022-47 120% FMR**

Motion: Commissioner Calvert moved (seconded by Rodolphe) to approve and implement the new voucher payment standard at 120% of fair market rent as advised by HUD. Motion carried – unanimous.

The KHRA Board of Commissioners voted to approve the use of Small Area Fair Market Rents per HUD guidance with the below resolution:

**Resolution 2023-39 Small Area FMR**

Motion: Commissioner Jennings moved (seconded by Calvert) to approve the update to utilize Small Area FMRs. Motion carried - unanimous.

HUD Approval of waivers 24 CFR 982.503(c)(1)-(2) and (4)-(5) and 24 CFR 982.503(b)(1)(iii) attached hereafter.

The KHRA Board of Commissioners voted to approve the reduction of the Voucher Payment Standard from the 2024 fiscal plan year from 120% of Fair Market Value down to 110% for the 2025 fiscal year with the below resolution:

**Resolution 2024-68 FY 2025 Voucher Payment Standard**

Motion: Commissioner Perdue moved (seconded by Jennings) to approve the FY 2025 Voucher Payment Standard at 110% of the HUD Fair Market Rents published on 8/14/2024 to be posted for the applicable time period in accordance with the KHRA Admin plan. Motion carried - unanimous.





## Exhibit B.3 KHRA Progress Report

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

### 1.) Performance Excellence:

#### SEMAP:

KHRA is working toward achieving High Performer Status. The PHA is rated as a Standard Performer with a SEMAP score of 85 for fiscal year ended 3/31/2024. KHRA implemented personnel changes in the 2024 plan year to abate the unawarded points from previous SEMAP submissions. KHRA partially achieved the goal of increased scoring on Indicator 12 from the 2023 plan year but was unable to secure enough points for the 2024 plan year to obtain High Performer Status. KHRA hopes to improve scoring in the following HQS performance indicators for plan year 2025:

- INDICATOR 12 Annual HQS Inspections (24 CFR 982.405(a))
  - KHRA scored 5 of 10 possible points in the 2024 plan year
- INDICATOR 5 HQS Quality Control (24 CFR 982.405(b))
  - KHRA scored 0 of 5 possible points in the 2024 plan year

Improvements in Performance Indicators 12 and 5 would bring KHRA's overall performance rating within range of High Performer Status.

#### Financial Management:

- Internal controls have been audited and updated regularly in accordance with the 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 KHRA Procurement Policy complies with the Annual Contributions Contract (ACC) between The United States Department of Housing and Urban Development (HUD) and the Kingsport Housing and Redevelopment Authority (KHRA) and *Federal Regulations 2 CFR 200.317-326*, the procurement standards of the Procurement Handbook for PHAs, HUD Handbook 7460.8, Revision 2, and applicable state and local laws. The most recent updates to the KHRA Procurement Policy were adopted with Board Resolution 2024-50 as amended by House Bill 2090, adopted by the House as Amendment #1 on March 14, 2024.
- The Financial Statements & Independent Auditors' Report Schedule of Findings for the year ended March 31, 2024 yielded no material weaknesses or significant deficiencies identified.
- KHRA continues to produce balanced financial reporting to the board through monthly meetings



## 2.) Employee Organizational Update

The Authority continually employs hiring methods and selection recommendations to be made objectively with absolute impartiality, absent of bias, and in accordance with the principles of equal opportunity.

## 3.) Safety and Security

The Authority continues to work cooperatively with Kingsport Police Department, Kingsport Fire Department, and Tennessee Highway Patrol to ensure Disaster Preparedness and provide a safe and healthy environment for residents and employees. KHRA participates annually in TOSHA Public Sector inspections. KHRA works cooperatively with the designated Occupational Safety Specialist to abate any safety violations and create a safe environment in which employees work.

Security measures implemented in 2022 and 2023 with the purchase of Verkada security cameras have been a vital source of crime prevention in our neighborhoods. The 214 cameras placed across seven of KHRA's sites as well as the administrative building have increased safety measures for residents and staff alike. The MOU drafted and implemented by KHRA staff in cooperation with City of Kingsport and the Kingsport Police Department is still in place and allows for the sharing of live feed and footage with the City of Kingsport Police Department. This measure bolsters the safety and security of KHRA property and promotes general welfare by sharing information, sharing and enforcing a no-trespass list, and other aid. The MOU sets forth the terms by which the City may use this access, and the agreement was entered into in May 2023. As a proactive step toward NSPIRE changes for the upcoming fiscal year, KHRA has upgraded its entire housing inventory with GFCI compliant electrical standards on applicable outlets and breakers. KHRA is in the process of purchasing additional inventory of smoke detectors and will replace all units within KHRA managed sites with a ten-year sealed battery.

## 4.) Fair Housing

KHRA has provided Fair Housing and Anti-Harassment trainings on an annual basis to ensure compliance and in accordance with governing law. The training for 2023 was provided by Wilson Worley on March 29, 2023 for all staff. Fair Housing Training for all staff is scheduled for December 17, 2024 provided by Mark Hanor of Hanor Law Firm. Residents are informed of Fair Housing Rights at briefings, lease signings, and annual recertification.

## 5.) Supportive Services

KHRA has sought and marketed positions that include Title 3 hires and VISTA AmeriCorps positions. The supportive services offered through KHRA including FSS, HOPWA, CoC, etc. have grown and now include additional supportive services in the form of the Financial Opportunity Center and the Digital Navigator Services.



Increased efforts to end homelessness have been secured with multiple ESG awards layered with CDBG funds to create and hire a staff position for the position of Street Outreach Coordinator. KHRA was also awarded a Housing Success Program grant from Fahe and Ballard Health which paired funding provided by the RAD PBV program to create the position for Housing Success Coordinator. This position works with homeless families and individuals who have transitioned into housing managed by KHRA to help them create a stability plan that will include, at a minimum, financial counseling, budgeting, connection and transportation to mainstream/health resources, coordinating paperwork and appointments, and act as a liaison between property management staff and the tenant. Additionally, GKAD continued to leverage funding from CDBG to operate a homeless shelter unit at the Green Valley Manor site in Kingsport, TN until June 2024.

KHRA works collaboratively with the local Boys & Girls Club and the YMCA. Additionally, KHRA partners with faith-based and non-profit partners for community involvement (Carpenter's Helpers, Upper East Tennessee Human Development Agency, First Tennessee Human Resource Agency, Freeway Ministries, Tennessee's Community Assistance Corporation, etc.)

#### 6.) Leveraging Additional Funding

KHRA secured various forms of financing beginning in 2018 to complete the RAD conversion of 381 total units with funding from State and Federal Housing Trust Fund programs and 4% tax credits with an allocation for project-based vouchers. RAD Completion Certification for Robert E. Lee Homes/Dogwood Terrace/Holly Hills, TN006000001B was accepted on June 15, 2023. In prior plan years, KHRA secured grant funding from TDMHSAS in the form of the Creating Affordable Housing (CAH) grant and THDA's Creating Homes Initiative-2 (CHI-2) grants to rehab/build additional affordable housing for tenants who are suffering from mental illness and recovering from opioid/opioid derivative addiction.

KHRA's nonprofit arm has continued to experience enormous success in securing new grant funding. Gap funding in the amount of \$205,000 was secured from THDA allowing the new construction build of the previously-awarded, \$500,000, CHI-2, sober living, group home to achieve zero debt service. \$545,000 was awarded from THDA for a first-time, HOME-ARP Supportive Services Grant that covers a broad range of services including food, childcare and car repair. GKAD was initially awarded \$300,000 from THDA for Eviction Prevention under the ERA-EPP 2023 program and later was contacted to receive additional funding of \$220,000. Additionally, grants in the amounts of \$134,675 and \$142,325 from Tennessee Department of Mental Health and Substance Abuse Services for the rehabilitation of blighted housing to serve clients with a mental health and/or cooccurring substance abuse diagnoses were awarded. \$6,000 for CDBG 2024 activities from the City of Kingsport were also awarded to GKAD, and many of these grants were written to substantially rehabilitate blighted housing serving low-income members of our community, cover existing administrative costs, and create new positions within the Authority.



In 2022, GKAD was awarded the National Housing Trust Fund (NHTF) grant to develop 12 one-bedroom units where all units will be set aside for extremely low-income individuals whose income does not exceed 30% of the area median income, to be reserved as housing for the elderly, which means individuals sixty-two (62) years of age or older. In 2023, GKAD increased the funding dedicated to these units with an additional \$449,496.95 from NHTF, \$500,000 through the TN ARPA program and \$539,478.05 from the Federal Home Loan Bank Affordable Housing Program of Cincinnati. These additional funds will enable the property to achieve zero debt service.

GKAD annually pursues the Emergency Solutions Grant through THDA and in 2023 – 2024 was awarded \$98,894 for Rapid Rehousing activities and \$66,000 for Street Outreach. These funds have allowed the agency to help alleviate rent and utility cost burdens to literally homeless individuals as well as provide for the needs of individuals and families living on the street.





KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY

906 East Sevier Avenue  
Kingsport, TN 37660-0044

*To Transform and Empower Communities*

## Exhibit B.5 KHRA Audit Narrative

### Schedule of Findings and Questioned Costs For the Year Ended March 31, 2023:

#### **Finding 2024-001:** Housing Quality Standards Inspection/HQS Enforcement

**Criteria:** The PHA must inspect the unit leased to a family at least bi-annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR §§982.405, 983.103)). Additionally, for units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

**Condition:** During the audit, Smith Marion & Co. identified four (4) failed HQS that did not receive a pass for several months and no rent abatement process was started or enforced during that time period.

**Context:** The HQS population was 135 failed inspection. We selected a sample of 25 inspection and identified of those 25 reviewed 4 did not obtain a re-inspection pass within the Criteria noted above and no rent abatement process was enforce on landlord.

**Cause:** The Authority contracted out inspection services at the beginning of the year. The contractor did not fulfill contract and stop services mid year. The Authority hired a new staff toward the end of the year.

**Effect:** The Authority is non-compliant with the federal regulations over this federal program, this could potentially result in operating and financial penalties.

**Recommendations:** Smith Marion auditors recommend the Authority properly oversee compliance with regulations and enforce rent abatements if necessary to adherence to federal compliance requirements.

Full Audit is attached as "Exhibit B.5 KHRA 2024 Fiscal Year Audit"





## **Exhibit D.1**

### **Fair Housing Goal: Nondiscrimination**

#### **PART I: NONDISCRIMINATION**

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12; Executive Order 13988].

#### PHA Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Subject anyone to sexual harassment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class



## **Providing Information to Families and Owners**

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

## **Discrimination Complaints**

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

Upon receipt of a housing discrimination complaint, the PHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

### PHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16 of the KHRA Admin Plan).



KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY

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## **Exhibit D.1 Part 2 – Policies Related to Persons with Disabilities.**

### **PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES**

#### **2-II.A. OVERVIEW**

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

#### PHA Policy

The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”

A specific name and phone number of designated staff will be provided to process requests for accommodation.

The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.





## **2-II.B. DEFINITION OF REASONABLE ACCOMMODATION**

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an “undue financial and administrative burden” for the PHA, or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

### **Types of Reasonable Accommodations**

When needed, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff





## **2-II.C. REQUEST FOR AN ACCOMMODATION**

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

### PHA Policy

The PHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.





## 2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the PHA will dispose of it. In place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].





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## 2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

### PHA Policy

After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days.

If the PHA denies a request for an accommodation because it is no relationship, or nexus, found between the disability and the request accommodation, the notice will inform the family of the right to appeal the PHA's decision through an informal review (if applicable) or informal hearings (see Chapter 16 of the KHRA Admin Plan).

If the PHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), the PHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If the PHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the PHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.







## **2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS**

HUD regulations require the PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

### PHA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.





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## 2-II.G. PHYSICAL ACCESSIBILITY

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, the PHA will include a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.





## **2-II.H. DENIAL OR TERMINATION OF ASSISTANCE**

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family's assistance is terminated, the notice of termination must inform them of the PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, the PHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation.





**EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER  
FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]**

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.





The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the \$480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

***The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.***





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## **Exhibit D.1 Part 3 -Improving Access to Services for Persons with LEP**

### **PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**

#### **2-III.A. OVERVIEW**

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The PHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the PHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.



## **2-III.B. ORAL INTERPRETATION**

The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.

### PHA Policy

The PHA will utilize a language line for telephone interpreter services.

When exercising the option to conduct remote briefings, informal reviews, or hearings, however, the PHA will coordinate with a remote interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The PHA, at its discretion, may choose to use the language services even when LEP persons desire to use an interpreter of their choosing. The interpreter may be a family member or friend. If the interpreter chosen by the family is a minor, the PHA will not rely on the minor to serve as the interpreter.

The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

## **2-III.C. WRITTEN TRANSLATION**

Translation is the replacement of a written text from one language into an equivalent written text in another language.

### PHA Policy

In order to comply with written-translation obligations, the PHA will take the following steps:

The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.



## 2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the PHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the PHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the PHA's Housing Choice Voucher program and services.

### PHA Policy

If it is determined that the PHA serves very few LEP persons, and the PHA has very limited resources, the PHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the PHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

