

Household Income Guidelines

Total household income for all residents must be below the following amounts to be eligible:

Number of Residents in Household	Total Income Limit
1	\$48,400
2	\$55,300
3	\$62,200
4	\$69,100
5	\$74,650
6	\$80,200
7	\$85,700
8	\$91,250

How Do I Apply?

Contact Housing & Neighborhood Development at 865-215-2120. A Housing Program staff member will ask for certain information over the phone to determine participant eligibility. Upon initial screening, participants will be mailed a pre-screening application to complete and return or be placed on the waiting list if necessary. After the pre-screening application is reviewed, the applicant will be contacted and an appointment will be made to take the full loan application.

Revised 6/15/2023

Eligibility Requirements

Meet income guidelines (see chart).
Ability to repay debt (credit history, debt & income review).
Home must be principal residence of all owners. [Rental & investment properties are not eligible]
Mortgage, taxes and homeowners insurance must be current.
No open judgments recorded against the property. No judgments/collections on credit report without a payment plan in place.
Homeowner <u>must not</u> have received a full rehab from the City's Owner Occupied Rehab Program or assistance from HOME Down Payment Assistance in the past 10 years.
Environmental/historic review may be required.
Homes built before 1978 may require testing for lead hazards.
Verification of all information submitted by applicant.
Homeowner will be required to relocate during the rehabilitation.



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Indya Kincannon, Mayor
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Housing Rehabilitation For Homeowners



Making decent, safe, and affordable housing available to low-to-moderate income families in Knoxville.



What is the Housing Rehabilitation Program?

The Housing Rehabilitation Program offers financial and technical assistance for low-to-moderate income homeowners to make repairs they otherwise could not afford. The loan terms are based on participant income and ability to pay. We have several ways to make expensive projects affordable:

Direct Loans

- 1% interest City loan with a 20-year term.

Deferred Payment Loans

- Forgiven or reduced in value by 10% each year over a 10-year period as long as participants reside in and own the property, maintain property taxes, keep homeowner's insurance, and keep Direct Loan in good standing.
- No monthly payment required as long as program requirements are met.
- Used in combination with a payable loan if needed to make project affordable.
- Maximum deferred loan \$60,000.

Grants

- Lead Based Paint Remediation
- Energy Star (Replacement Homes Only)
- Relocation

Approval guidelines are subject to change.

What Kind of Work is Done?

Housing Rehabilitation Program funds are used to bring the home up to Housing & Neighborhood Development Neighborhood Housing Standards. These standards include:

- Correcting code violations.
- Making the home more energy efficient
- Repairing major systems such as heating, electrical, plumbing, and roofing.
- Making necessary repairs to indoor and outdoor surfaces such as floors, walls, and siding.

In some cases, the cost of rehabilitation of the home is unreasonable compared with the cost of constructing a new home. In this case, participants may be eligible to use the financing to build a new replacement home on the existing lot.



Before



After

Who Will Do The Work?

Housing Rehabilitation Specialists on our staff will provide technical assistance by completing a thorough inspection of the home to determine what work is needed, estimating the cost of the work, and assisting the homeowner in getting bid proposals from contractors.



The homeowner will select and contract with a licensed General Contractor who will perform the rehabilitation work. The City keeps a list of contractors who have been approved for the program. Participants may have the job put out to bid to these contractors or select a specific contractor subject to a review and acceptance of the contractor's qualifications by the Housing & Neighborhood Development Department.

Contractor Qualifications

- Home Improvement License or Contractor's License
 - Credit Review
 - Proof of insurance, including worker's compensation
 - References
 - Meet Housing & Neighborhood Development contractor criteria
- (To join the City's list of qualified contractors, call 865-215-2120.)