



What kind of work is done?

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

- Correcting code violations
- Making the home more energy-efficient
- Anticipating problems that may arise within the next two years such as an old roof that is not yet leaking
- Repairing major systems such as heating, electrical, plumbing, and roofing
- Making necessary repairs to indoor and outdoor surfaces such as floors, walls, and siding

An additional 5% of the project costs may be used for General Property Improvements to make your property more livable and enjoyable.

In some cases, the Rehabilitation Specialist may determine that 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.



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, assisting in getting bid proposals from contractors, and inspecting the work performed by the contractors.

The homeowner will contract with a licensed General Contractor who will perform the rehabilitation work. The City keeps a list of contractors whose references we have checked. Participants can have the job put out to bid to these contractors or select a contractor on their own, subject to a review and acceptance of the contractor's qualifications.



City of Knoxville
Community Development Division
400 Main Street, Suite 514
Knoxville, TN 37902
(865) 215-2120



Housing Rehabilitation for Homeowners



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

Bill Haslam, Mayor
Larry Martin, Senior Director
Madeline Rogero, Director

www.cityofknoxville.org/development
For the City of Knoxville
Community Development Division:
(865) 215-2120

What is the Housing Rehabilitation Program?

The Housing Rehabilitation Program offers financial and technical assistance so low-to-moderate income homeowners can 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 what could be an expensive project affordable:

Direct Loans

- 1-3% interest
- Paid back to the City over 20-year term

COMBO Loans

- Combined loan with City and private financing
- No repayment of COMBO loan, nor is interest charged until after private loan is scheduled to be repaid
- Monthly payment varies based on cost of home rehabilitation and affordability
- Minimum payment \$25 per month

Deferred Payment Loans

- Forgiven or reduced in value by 5% each year over a 20-year period as long as participants reside in and own the property
- No monthly payment required
- Used in combination with a payable loan if participant is income eligible
- Maximum loan \$20,000



Who is eligible?

Participants may apply for financing to rehabilitate their home if their household income is below the HUD guidelines for low and moderate income households and they will own and live in the house after the work is completed. Household income is the total of all income for household members. For example; as of March 2006 a household size of 2 people with a total household income of less than \$35,100.00 would be eligible to apply.

Approval will be based upon eligibility as explained above, and the following factors:

- Amount of current debt and ability to repay debt
- Credit History (If there have been credit problems in the past, participant may be asked to attend credit counseling to establish program eligibility)
- Property taxes, City and County, must be paid current
- Ability of homeowner to maintain the home after rehab is completed
- All information provided for the application can be verified
- The total rehab cost does not exceed program limits

How do I apply?

Contact the Community Development Division at 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 placed on the waiting list. Priority for placement on the list is given to residents of Knoxville's Empowerment Zone.

When participant's rotation on the list comes, they will be contacted and an appointment will be made to take the loan application.

City of Knoxville Empowerment Zone



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