

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **February 23, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:01 p.m.

Present:	Chair Robert Whetsel	Absent:
	Vice Chair Kimberly Henry	
	Treasurer Scott Broyles	
	Commissioner Robyn McAdoo	
	Commissioner John Winemiller	
	Commissioner Felix Harris	
	Commissioner Kathy Hill	

Approval to execute the minutes for the *regular* meeting held on January 26, 2023. **Commissioner McAdoo moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."**

REDEVELOPMENT/LEGAL MATTERS (Brad Peters)

Resolution authorizing execution of a development agreement with DGA Residential, LLC with respect to the development of the Choto Landing Project and authorizing the formation of Choto GP Corporation and DGA Choto LP. **Commissioner Henry moved to approve. Commissioner Broyles seconded the motion. Commissioner McAdoo was recused. All other Commissioners present voted "Aye."** Resolution 2023-02 is attached.

Preliminary Bond Resolution regarding DGA Choto LP. **Commissioner McAdoo moved to approve. Commissioner Broyles seconded the motion. Commissioner McAdoo was recused. All other Commissioners present voted "Aye."** Resolution 2023-03 is attached.

Resolution authorizing the formation of Western Heights 1 GP Corporation and Western Heights 1 LP relating to the rehabilitation and construction of Western Heights Phase 1. **Commissioner Winemiller moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."** Resolution 2023-04 is attached.

Resolution authorizing the negotiation and execution of loan documents for the Five Points infill development. **Commissioner Henry moved to approve. Commissioner Broyles seconded the motion. Commissioner McAdoo was recused. All other Commissioners present voted "Aye."** Resolution 2023-05 is attached.

Approval to grant a Certificate of Completion and Release to Michelle and Michael Ivester for 1328 Texas Avenue (081IN001). **Commissioner Henry moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."**

Approval to enter into a purchase and sale agreement to acquire parcels in the South Waterfront Redevelopment Area. **Commissioner Winemiller moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."**

PUBLIC FORUM

None

UNFINISHED BUSINESS

None

ADJOURNMENT

With no further business to come before the Board, the meeting adjourned by consent at 5:28 p.m.



Robert Whetsel, Chair

Approved: March 30, 2023

ATTEST:



Benjamin M. Bentley, Secretary

Approved: March 30, 2023

RESOLUTION NO. 2023-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT WITH DGA RESIDENTIAL, LLC WITH RESPECT TO THE DEVELOPMENT OF THE CHOTO LANDING PROJECT, AND AUTHORIZING THE FORMATION OF CHOTO GP CORPORATION AND DGA CHOTO LP

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 *et seq.*, Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, DGA Residential, LLC (the "Developer") has requested KCDC's assistance in the development of affordable housing on real property located at approximately 12320 Northshore Drive in Knoxville, Tennessee (collectively, the "Property"); and

WHEREAS, in exchange for KCDC's assistance in planning and implementing the development of affordable housing on the Property, the Developer has proposed to pay twenty percent (20%) of the development fee and cash flow resulting from the development of the Property to KCDC or an affiliate of KCDC; and

WHEREAS, the Board desires to authorize the officers of KCDC to execute a Development Agreement (the "Development Agreement") with the Developer including the terms described above and such other terms as are deemed necessary and appropriate by the officers of KCDC and counsel to the Board; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC desires to form a corporation known as Choto GP Corporation (the "Corporation"); and

WHEREAS, the Board desires to approve and authorize such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC and the Developer desire to form a limited partnership known as DGA Choto LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve and authorize the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the "Partnership Documents"), including but not limited to, a limited partnership agreement (the "Limited Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership"), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute the Development Agreement; and, further

RESOLVED, that the Development Agreement shall be similar to the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by counsel to the Board and the officers executing it, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to carry out KCDC's obligations under the Development Agreement; and, further

RESOLVED, that it is in the best interest of KCDC to enter into the Development Agreement; and, further,

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, the

Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further


RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the development of the Property; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

BE IT THEREFORE RESOLVED that this Resolution shall be effective this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: 
Secretary

RESOLUTION NO. 2023-03

**PRELIMINARY BOND RESOLUTION
OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
REGARDING DGA CHOTO LP**

WHEREAS, DGA Choto LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 12320 Northshore Drive in Knoxville, Tennessee, and wishes to have Knoxville's Community Development Corporation ("KCDC") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 13-20-101; and

WHEREAS, a letter of intent has been presented to KCDC under the terms of which KCDC agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$18,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION as follows:


1. KCDC hereby finds that the financing of such above-described project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof.

2. The Chair or the Executive Director of KCDC is hereby authorized to execute a letter of intent with the Applicant in substantially the form thereof as presented at this meeting or with such changes therein as shall be approved by the Chair or the Executive Director. The officers of KCDC are hereby authorized to take such further action as is necessary to carry out the intent and purposes of the letter of intent as executed.

3. The Chair or the Executive Director of KCDC is hereby authorized to conduct such public hearings on behalf of KCDC as the Applicant may request with respect to the project.

Approved this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: 
Secretary

February 23, 2023

DGA Choto LP
3834 Sutherland Avenue
Knoxville, TN 37919

Ladies and Gentlemen:

Knoxville's Community Development Corporation ("KCDC") has been informed that DGA Choto LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 12320 Northshore Drive in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 13-20-101.

After investigation of the nature of the proposed project, KCDC has determined that the financing of the project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof. Therefore, it is the belief of KCDC that in assisting the financing of the project, KCDC will be acting in furtherance of the public purposes for which it was created.

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which KCDC was created, KCDC hereby makes the following proposals:

1. KCDC will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$18,000,000 to provide financing for the project. The Bonds shall be limited obligations of KCDC payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of KCDC, its directors, or the City of Knoxville, Tennessee.

2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among KCDC and the Applicant, subject to compliance with all applicable state and federal requirements, and all bylaws and policies of KCDC.

3. Prior to delivery of the Bonds, KCDC and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.

4. KCDC will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of KCDC and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by KCDC, the Applicant and the purchaser of the Bonds.

5. KCDC hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

6. Upon the issuance, sale and delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Applicant shall have no further effect and, in the event of any inconsistencies between the terms of this proposal and the terms of any loan agreement and/or indenture or purchase contract the provisions of such latter documents shall control.

7. KCDC agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of KCDC, is to be provided by the Applicant and not by KCDC and that KCDC has no responsibility as to the accuracy of such information other than as to the name and address of KCDC. The Applicant shall be responsible for any claims, liabilities, costs or expenses of KCDC that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of KCDC) or the submission of the Application.

If the foregoing proposal is satisfactory to you, you may indicate by signing the following acceptance and returning a copy to KCDC. This proposal and your acceptance will then constitute an agreement in principal with respect to the matters herein contained.

Yours very truly,

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: Byron M. Botley
Title: Secretary

ACCEPTANCE OF PROPOSAL
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BY
DGA CHOTO LP

The terms and conditions contained in the foregoing proposal by Knoxville's Community Development Corporation are hereby accepted by DGA Choto LP as of the date first written above.

DGA CHOTO LP

By: Choto GP Corporation,
its general partner

By: _____
Title: _____

32946597.1

RESOLUTION NO. 2023-04

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE FORMATION OF WESTERN HEIGHTS 1 GP CORPORATION AND WESTERN HEIGHTS LP RELATING TO THE REHABILITATION AND CONSTRUCTION OF WESTERN HEIGHTS PHASE 1

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 *et seq.*, Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, for the purpose of facilitating the financing, rehabilitation, construction and development of a proposed redevelopment project, KCDC desires to form a corporation known as Western Heights 1 GP Corporation (the "Corporation") in connection with the development of an approximately 120-unit housing facility for very-low, low and/or moderate-income citizens to be on certain property located at or near 1621 Jourolman Avenue in Knoxville, Tennessee (the "Project"); and

WHEREAS, the Board desires to approve, authorize and ratify such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in draft of the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and

WHEREAS, for the purpose of facilitating the financing, rehabilitation, construction and development of the Project, KCDC and the Corporation desire to form a limited partnership known as Western Heights 1 LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve, authorize and ratify the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the “Partnership Documents”), including, but not limited to, a limited partnership agreement (the “Limited Partnership Agreement”) and a certificate of limited partnership (the “Certificate of Limited Partnership”), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the “Authorized Officers”), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the “Authorized Officers”), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the Project; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers and KCDC’s legal counsel to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: Benjamin M. Bostley
Secretary

30993735.1

RESOLUTION NO. 2023-05

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE NEGOTIATION AND EXECUTION OF LOAN DOCUMENTS

WHEREAS, the Board of Commissioners of Knoxville's Community Development Corporation ("KCDC") has met pursuant to proper notice; and

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, by Sections 13-20-101 et seq., Tennessee Code Annotated, housing authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing projects; and

WHEREAS, KCDC has formed Knoxville's Housing Development Corporation pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC; and

WHEREAS, to facilitate the development of a 12-unit housing project (the "Project") on approximately twelve (12) parcels of property owned by KCDC and located on Ben Hur Avenue, Selma Avenue and Chesnut Street in Knoxville, Tennessee (the "Property"), KCDC desires to convey the Property to KHDC, and KHDC intends to obtain a loan from Home Federal Bank of Tennessee (the "Bank") in an amount not exceeding \$2,300,000 (the "Bank Loan") on terms and conditions substantially similar to those set forth in that certain term sheet from the Lender dated November 14, 2022; and

WHEREAS, the Bank would not make the Bank Loan without the guaranty of KCDC and the execution by KCDC of a Guaranty, Environmental Indemnity Agreement and certain other documents and agreements to which KCDC is to be a party (collectively, the "KCDC Bank Loan Documents").


NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that the Chairman, Vice Chairman, Treasurer or Secretary of KCDC (individually and collectively, the "Authorized Officers") is (are) hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto all instruments, documents and agreements deemed necessary or desirable by an Authorized Officer to effect the transfer of the Property to KHDC, including but not limited to any deed(s) of transfer; and, further,

RESOLVED, that (i) the Authorized Officers, individually or collectively, is (are) hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto the KCDC Bank Loan Documents and all other instruments, documents and agreements deemed necessary or desirable by an Authorized Officer to carry out the transactions described herein, all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same, and (ii) such officers, together with all other officers and employees of KCDC, are hereby authorized to take all such further action as they may consider necessary or desirable in connection with the transactions described herein and to take from time to time any actions deemed necessary or desirable by such officers and employees to effectuate and comply with the terms of such agreements as are executed on behalf of KCDC pursuant to the authorization contained herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the officers of KCDC to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the officers of KCDC that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: 
Secretary

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: February 16, 2023
To: Board of Commissioners
From: Benjamin M. Bentley, Secretary
Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, February 23, 2023, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the meeting held on January 26, 2023. **(Item 2 Attachment)**
3. Motion to add, delete or postpone agenda items.
4. Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT/LEGAL MATTERS (Brad Peters)

5. Resolution authorizing execution of a development agreement with DGA Residential, LLC with respect to the development of the Choto Landing Project and authorizing the formation of Choto GP Corporation and DGA Choto LP. **(Item 5 Attachment)**
6. Preliminary Bond Resolution regarding DGA Choto LP. **(Item 6 Attachment)**
7. Resolution authorizing the formation of Western Heights 1 GP Corporation and Western Heights LP relating to the rehabilitation and construction of Western Heights Phase 1. **(Item 7 Attachment)**
8. Resolution authorizing the negotiation and execution of loan documents. **(Item 8 Attachment)**

EXECUTIVE (Ben Bentley)

9. Approval is requested to enter into a purchase and sale agreement to acquire parcels in the South Waterfront Redevelopment Area. **(Item 9 Attachment)**

Unfinished Business
Public Forum
Adjournment

The next agenda review meeting will be on **March 23, 2023**
The next board meeting will be held on **March 30, 2023**

THIS MEETING AND ALL COMMUNICATIONS BETWEEN MEMBERS IS SUBJECT TO THE PROVISIONS OF THE TENNESSEE OPEN MEETINGS ACT, TENN. CODE ANN. §8-44-101, et seq.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **January 26, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:00 p.m.

Present: Chair Robert Whetsel
Vice Chair Kimberly Henry
Treasurer Scott Broyles
Commissioner Robyn McAdoo
Commissioner John Winemiller
Commissioner Felix Harris

Absent: Commissioner Kathy Hill

Approval to execute the minutes for the *regular* meeting held on December 6, 2022. Commissioner McAdoo moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."

EXECUTIVE DIRECTOR (Ben Bentley)

Resolution authorizing the execution of loan agreement with Regions Bank relating to the South Waterfront TIF District. Commissioner Henry moved to approve. Commissioner Winemiller seconded the motion. All other Commissioners present voted "Aye." Resolution 2023-01 is attached.

PUBLIC FORUM

None

UNFINISHED BUSINESS

None

ADJOURNMENT

With no further business to come before the Board, the meeting adjourned by consent at 5:20 p.m.

Robert Whetsel, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:



BOARD ACTION FORM

MEETING DATE	February 23, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing the execution of a development agreement with DGA Residential, LLC with respect to the development of the Choto Landing Project and authorizing the and formation of Choto GP Corporation and DGA Choto LP.
SUBMITTED BY	Name, Title / Department: Brad Peters, VP Redevelopment/Legal Matters
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ None Expenditure: \$ Filing Fees Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: _____ Other – Name/Title:

BACKGROUND

1. What is the objective of this action?

KCDC is requesting the Board to approve the development agreement and entities necessary to develop the Choto Landing Project.

2. Why is the action needed now?

The partnership needs to obtain financing through the filing of low income housing tax credit applications.

3. Who are the parties involved and what are their roles (if appropriate)?

The objective is to be awarded tax credits and then have an equity partner join as the limited partner in the limited partnerships being formed. Passport Housing Corporation (as an instrumentality of KCDC) would retain control as the general partner. A subsidiary of Dominion be a partner in this entity.

4. What are the long-term and short-term exposures?

There are no short or long term exposures as Dominion will broadly indemnify KCDC.

HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	
ATTACHMENTS	Resolution and Map

RESOLUTION NO. 2023-___

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT WITH DGA RESIDENTIAL, LLC WITH RESPECT TO THE DEVELOPMENT OF THE CHOTO LANDING PROJECT, AND AUTHORIZING THE FORMATION OF CHOTO GP CORPORATION AND DGA CHOTO LP

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 *et seq.*, Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, DGA Residential, LLC (the "Developer") has requested KCDC's assistance in the development of affordable housing on real property located at approximately 12320 Northshore Drive in Knoxville, Tennessee (collectively, the "Property"); and

WHEREAS, in exchange for KCDC's assistance in planning and implementing the development of affordable housing on the Property, the Developer has proposed to pay twenty percent (20%) of the development fee and cash flow resulting from the development of the Property to KCDC or an affiliate of KCDC; and

WHEREAS, the Board desires to authorize the officers of KCDC to execute a Development Agreement (the "Development Agreement") with the Developer including the terms described above and such other terms as are deemed necessary and appropriate by the officers of KCDC and counsel to the Board; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC desires to form a corporation known as Choto GP Corporation (the "Corporation"); and

WHEREAS, the Board desires to approve and authorize such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC and the Developer desire to form a limited partnership known as DGA Choto LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve and authorize the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the "Partnership Documents"), including but not limited to, a limited partnership agreement (the "Limited Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership"), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute the Development Agreement; and, further

RESOLVED, that the Development Agreement shall be similar to the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by counsel to the Board and the officers executing it, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to carry out KCDC's obligations under the Development Agreement; and, further

RESOLVED, that it is in the best interest of KCDC to enter into the Development Agreement; and, further,

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the development of the Property; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

BE IT THEREFORE RESOLVED that this Resolution shall be effective this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary



BOARD ACTION FORM

MEETING DATE	February 23, 2023
AGENDA ITEM DESCRIPTION	Preliminary Bond Resolution regarding DGA Choto LP.
SUBMITTED BY	Name, Title / Department: Brad Peters, VP Redevelopment/Legal Matters
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>None</u> Expenditure: \$ <u>Filing Fees</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>Jay Moneyhun</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? This Preliminary Bond Resolution would allow KCDC to serve as the issuer of up to \$18,000,000 in bonds to finance the construction of a new affordable housing development at 12320 Northshore Drive.</p>	
<p>2. Why is the action needed now? In order to begin accumulating costs under this future development, it is necessary to do this preliminary bond resolution. KCDC intends to partner with Dominion to submit an application with the Tennessee Housing Development Agency for 4% tax credits and bonds at a later date.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? The issuer of the bonds is KCDC. DGA Choto LP, is the bond applicant.</p>	
<p>4. What are the long-term and short-term exposures? None, these bonds will not become a general obligation of KCDC.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	
ATTACHMENTS	Preliminary Bond Resolution and Map

RESOLUTION NO. 2023-___

**PRELIMINARY BOND RESOLUTION
OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
REGARDING DGA CHOTO LP**

WHEREAS, DGA Choto LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 12320 Northshore Drive in Knoxville, Tennessee, and wishes to have Knoxville's Community Development Corporation ("KCDC") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 13-20-101; and

WHEREAS, a letter of intent has been presented to KCDC under the terms of which KCDC agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$18,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION as follows:

1. KCDC hereby finds that the financing of such above-described project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof.

2. The Chair or the Executive Director of KCDC is hereby authorized to execute a letter of intent with the Applicant in substantially the form thereof as presented at this meeting or with such changes therein as shall be approved by the Chair or the Executive Director. The officers of KCDC are hereby authorized to take such further action as is necessary to carry out the intent and purposes of the letter of intent as executed.

3. The Chair or the Executive Director of KCDC is hereby authorized to conduct such public hearings on behalf of KCDC as the Applicant may request with respect to the project.

Approved this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

February 23, 2023

DGA Choto LP
3834 Sutherland Avenue
Knoxville, TN 37919

Ladies and Gentlemen:

Knoxville's Community Development Corporation ("KCDC") has been informed that DGA Choto LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 12320 Northshore Drive in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 13-20-101.

After investigation of the nature of the proposed project, KCDC has determined that the financing of the project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof. Therefore, it is the belief of KCDC that in assisting the financing of the project, KCDC will be acting in furtherance of the public purposes for which it was created.

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which KCDC was created, KCDC hereby makes the following proposals:

1. KCDC will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$18,000,000 to provide financing for the project. The Bonds shall be limited obligations of KCDC payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of KCDC, its directors, or the City of Knoxville, Tennessee.

2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among KCDC and the Applicant, subject to compliance with all applicable state and federal requirements, and all bylaws and policies of KCDC.

3. Prior to delivery of the Bonds, KCDC and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.

4. KCDC will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of KCDC and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by KCDC, the Applicant and the purchaser of the Bonds.

5. KCDC hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

6. Upon the issuance, sale and delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Applicant shall have no further effect and, in the event of any inconsistencies between the terms of this proposal and the terms of any loan agreement and/or indenture or purchase contract the provisions of such latter documents shall control.

7. KCDC agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of KCDC, is to be provided by the Applicant and not by KCDC and that KCDC has no responsibility as to the accuracy of such information other than as to the name and address of KCDC. The Applicant shall be responsible for any claims, liabilities, costs or expenses of KCDC that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of KCDC) or the submission of the Application.

If the foregoing proposal is satisfactory to you, you may indicate by signing the following acceptance and returning a copy to KCDC. This proposal and your acceptance will then constitute an agreement in principal with respect to the matters herein contained.

Yours very truly,

KNOXVILLE'S COMMUNITY DEVELOPMENT
CORPORATION

By: _____

Title: _____

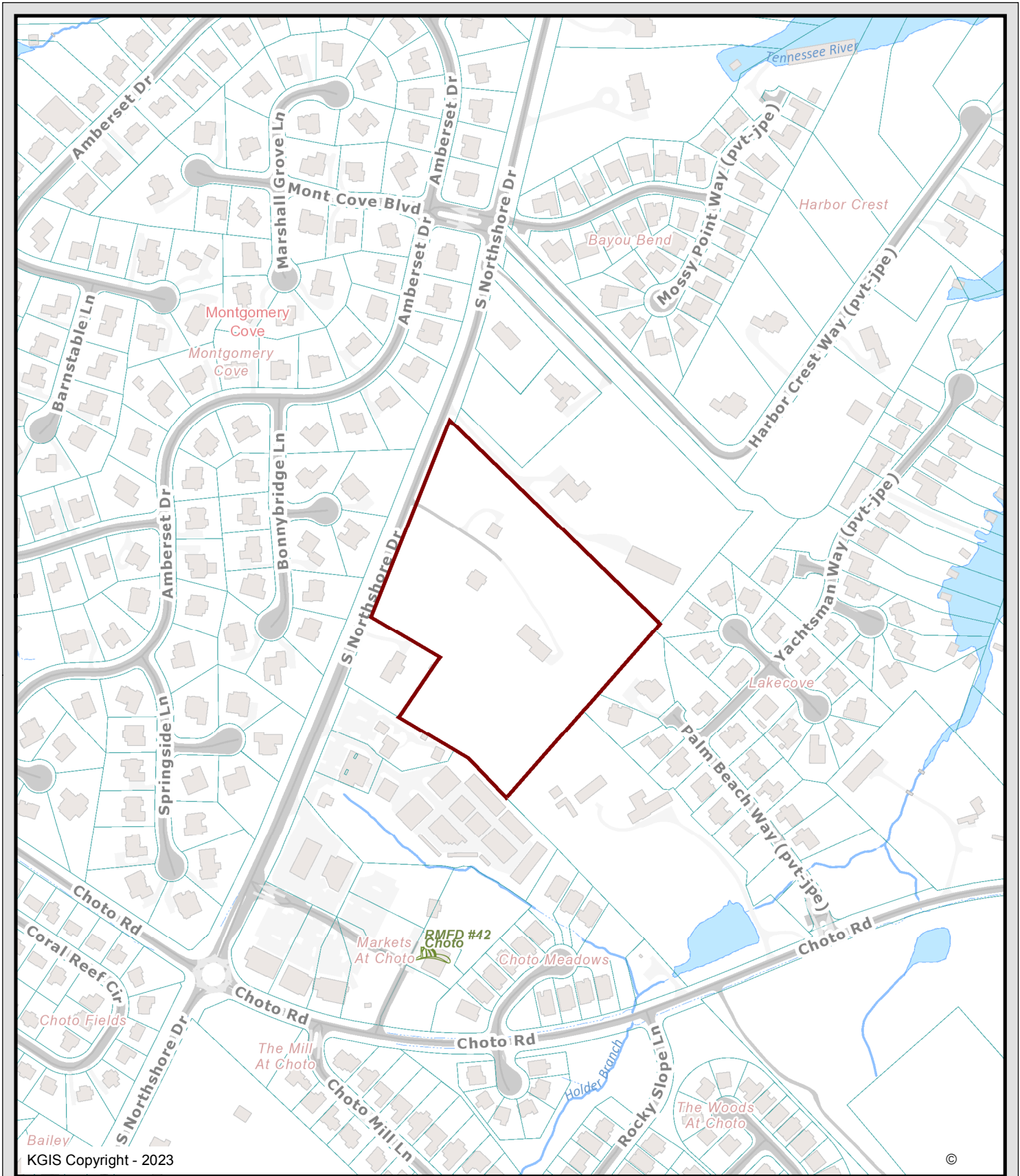
ACCEPTANCE OF PROPOSAL
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BY
DGA CHOTO LP

The terms and conditions contained in the foregoing proposal by Knoxville's Community Development Corporation are hereby accepted by DGA Choto LP as of the date first written above.

DGA CHOTO LP

By: Choto GP Corporation,
its general partner

By: _____
Title: _____

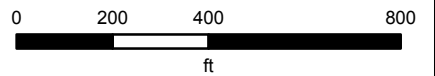


12320 S NORTSHORE DR

Knoxville - Knox County - KUB Geographic Information System



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BOARD ACTION FORM

MEETING DATE	February 23, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing the formation of Western Heights 1 GP Corporation and Western Heights 1 LP relating to the rehabilitation and construction of Western Heights.
SUBMITTED BY	Name, Title / Department: Brad Peters, VP
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ None Expenditure: \$ Filing Fees
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? KCDC wishes to form the entities necessary to develop the first phase of the revitalized Western Heights, and convert this public housing to PBRA multifamily housing using the RAD program. In order to obtain private financing and tax credits, equity partners require separate limited partnerships to be formed to facilitate the equity payment and protect against bankruptcy.</p> <p>2. Why is the action needed now? The partnership needs to obtain financing through the filing of low income housing tax credit applications.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? The objective is to be awarded tax credits and then have an equity partner join as the limited partner in the limited partnerships being formed. Passport Housing Corporation (as an instrumentality of KCDC) would retain control as the general partner. A subsidiary of Brinshore will also be a partner in this entity.</p> <p>4. What are the long-term and short-term exposures? There are no short term exposures. The long term exposures relate to the ability of the partnerships to maintain positive cash flow throughout the 15 year tax credit period.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC was previously awarded a Choice Neighborhoods Implementation Grant for the Western Heights Neighborhood.
ATTACHMENTS	Resolution

RESOLUTION NO. 2023-___

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE FORMATION OF WESTERN HEIGHTS 1 GP CORPORATION AND WESTERN HEIGHTS LP RELATING TO THE REHABILITATION AND CONSTRUCTION OF WESTERN HEIGHTS PHASE 1

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 *et seq.*, Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, for the purpose of facilitating the financing, rehabilitation, construction and development of a proposed redevelopment project, KCDC desires to form a corporation known as Western Heights 1 GP Corporation (the "Corporation") in connection with the development of an approximately 120-unit housing facility for very-low, low and/or moderate-income citizens to be on certain property located at or near 1621 Jourolman Avenue in Knoxville, Tennessee (the "Project"); and

WHEREAS, the Board desires to approve, authorize and ratify such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in draft of the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and

WHEREAS, for the purpose of facilitating the financing, rehabilitation, construction and development of the Project, KCDC and the Corporation desire to form a limited partnership known as Western Heights 1 LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve, authorize and ratify the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the "Partnership Documents"), including, but not limited to, a limited partnership agreement (the "Limited Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership"), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the Project; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers and KCDC's legal counsel to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are

in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

30993735.1



BOARD ACTION FORM

MEETING DATE	February 23, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing the negotiation and execution of loan documents.
SUBMITTED BY	Name, Title / Department: Brad Peters, VP Redevelopment/Legal Matters
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ None Expenditure: \$ Filing Fees Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: _____ Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? As described in the attached resolution, KCDC requests approval to (1) negotiate final terms of the loan documents and execute. KCDC's role is limited to the construction/environmental guaranty (2) transfer 12 single family lots to KHDC.</p> <p>2. Why is the action needed now? The project is approaching closing.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? KHDC is the borrower; KCDC is the construction guarantor; Home Federal is the lender; and THDA is the CITC Program Administrator.</p> <p>4. What are the long-term and short-term exposures? The short term risks are construction related risks. The long-term risks do not apply to KCDC as it is only providing a construction guaranty and a full environmental review has been completed.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	The Board previously approved two separate board items selecting the contractor for the homes (Ardour).
ATTACHMENTS	Resolution

RESOLUTION NO. 2023-_____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE NEGOTIATION AND EXECUTION OF LOAN
DOCUMENTS**

WHEREAS, the Board of Commissioners of Knoxville's Community Development Corporation ("KCDC") has met pursuant to proper notice; and

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, by Sections 13-20-101 et seq., Tennessee Code Annotated, housing authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing projects; and

WHEREAS, KCDC has formed Knoxville's Housing Development Corporation pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC; and

WHEREAS, to facilitate the development of a 12-unit housing project (the "Project") on approximately twelve (12) parcels of property owned by KCDC and located on Ben Hur Avenue, Selma Avenue and Chesnut Street in Knoxville, Tennessee (the "Property"), KCDC desires to convey the Property to KHDC, and KHDC intends to obtain a loan from Home Federal Bank of Tennessee (the "Bank") in an amount not exceeding \$2,300,000 (the "Bank Loan") on terms and conditions substantially similar to those set forth in that certain term sheet from the Lender dated November 14, 2022; and

WHEREAS, the Bank would not make the Bank Loan without the guaranty of KCDC and the execution by KCDC of a Guaranty, Environmental Indemnity Agreement and certain other documents and agreements to which KCDC is to be a party (collectively, the "KCDC Bank Loan Documents").

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that the Chairman, Vice Chairman, Treasurer or Secretary of KCDC (individually and collectively, the "Authorized Officers") is (are) hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto all instruments, documents and agreements deemed necessary or desirable by an Authorized Officer to effect the transfer of the Property to KHDC, including but not limited to any deed(s) of transfer; and, further,

RESOLVED, that (i) the Authorized Officers, individually or collectively, is (are) hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto the KCDC Bank Loan Documents and all other instruments, documents and agreements deemed necessary or desirable by an Authorized Officer to carry out the transactions described herein, all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same, and (ii) such officers, together with all other officers and employees of KCDC, are hereby authorized to take all such further action as they may consider necessary or desirable in connection with the transactions described herein and to take from time to time any actions deemed necessary or desirable by such officers and employees to effectuate and comply with the terms of such agreements as are executed on behalf of KCDC pursuant to the authorization contained herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the officers of KCDC to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the officers of KCDC that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved this 23rd day of February, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary