Date: July 19, 2019

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: AGENDA

Board Meeting of the Board of Commissioners
Thursday, July 25, 2019, 5:00 p.m.
KCDC Main Office, 901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.

2. Approval is requested of minutes for the regular meeting held on June 27, 2019. (Item 2 Attachment)

3. Motion to add, delete or postpone agenda items.

4. Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT/LEGAL ISSUES (Brad Peters)
5. Resolution authorizing the execution of documents relating to certain public improvements on the Knoxville South Waterfront. (Item 5 Attachment)

HOUSING (Sean Gilbert)
6. Resolution approving the submission of the Section 8 Management Assessment Program (SEMAP) for the Fiscal Year July 1, 2018 – June 30, 2019. (Item 6 Attachment)

FINANCE AND ACCOUNTING (Tracee Pross)
7. Resolution approving the collection loss of delinquent accounts for Public Housing, Multi-Family Housing, Section 8 and The Manor. (Item 7 Attachment)

Unfinished Business

Public Forum

Adjournment

The next meeting of the KCDC Board of Commissioners will be Thursday, August 29, 2019 @ 5:00 p.m.
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>July 25, 2019</th>
</tr>
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<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing the execution of documents relating to certain public improvements on the Knoxville South Waterfront.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP Legal Matters/Redevelopment</td>
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<td></td>
<td>Department: Redevelopment</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☑ Regular, ☐ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☑ Resolution, ☐ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: 0, Expenditure: 0</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: N/A</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☑ Department Head/Vice President, ☐ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☑ Legal Counsel, Name of Reviewer: Jordana Nelson</td>
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<td></td>
<td>☑ Executive Director/CEO</td>
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<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☑, Deny: ☐, Defer: ☐</td>
</tr>
</tbody>
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## BACKGROUND

1. **What’s the objective of the requested action?**
   At the City’s request, KCDC provides construction of certain public improvements within the South Knoxville Waterfront redevelopment area to eliminate blight and provide for economic development necessary to support stabilization and improvement of surrounding areas.

2. **Why is the action needed now?**
   The Developer has developed plans on property owned at 726 Sevier Avenue for the project of the City South Apartments, to redevelop the site as a 117 unit apartment complex and requests the assistance of KCDC to complete its plans.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   - **Dominion Sevier, LLC** is the developer
   - **City of Knoxville** assumes all construction monitoring duties
   - KCDC has limited financial monitoring duties

4. **What are the long term and short term exposures to KCDC?**
   - The development agreement does not increase KCDC’s exposure but instead primarily affects the obligations of the Developer.
   - KCDC’s liability under the agreement between KCDC and City is non-recourse to KCDC and is solely limited to the performance by the Developer of their obligations under the development agreement.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

The KCDC Board approved the Knoxville South Waterfront Redevelopment & Urban Renewal Plan containing a tax increment financing provision on September 28, 2006.

## ATTACHMENTS

Resolution
A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING TO CERTAIN PUBLIC IMPROVEMENTS ON THE KNOXVILLE SOUTH WATERFRONT

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 the Knoxville South Waterfront Redevelopment & Urban Renewal Plan, as it may be amended from time to time (the "Plan"), KCDC is authorized to facilitate redevelopment projects in the area subject to the Plan (the "Redevelopment Area"); and

WHEREAS, pursuant to the Plan, KCDC is authorized to assist with such redevelopment projects by entering into tax increment financing transactions with respect to redevelopment projects in the Redevelopment Area; and

WHEREAS, at the Municipality's request, KCDC desires to provide for the construction of certain public improvements within the Redevelopment Area to eliminate blight and provide for economic development necessary to support stabilization and improvement of surrounding areas; and

WHEREAS, Dominion Sevier, LLC, a Tennessee limited liability company (the "Developer") is the owner of an approximately 2.43 acre site located at 726 Sevier Avenue, Knoxville, Tennessee within the Redevelopment Area (herein the "Redevelopment Parcel"); and

WHEREAS, Developer has developed plans for the development of a project on the Redevelopment Parcel known as the "City South Apartments" consisting of the redevelopment of the site as a 117 unit apartment complex and requests the assistance of KCDC to complete its plans; and

WHEREAS, KCDC has expressed an interest in reimbursing the Developer for the cost of certain public improvements to be constructed on the Redevelopment Parcel in an amount not to exceed $2,000,000; and

WHEREAS, for the purpose of establishing the rights and obligations of KCDC and the Developer with respect to the matters described above and related matters, KCDC desires to enter into a Development Agreement Relating to the City South Apartments Knoxville South Waterfront Redevelopment & Urban Renewal Plan (the "Development Agreement"); and

WHEREAS, the Municipality has indicated its willingness to purchase a note to be issued by KCDC in an amount not exceed $2,000,000 (the "Tax Increment Note") that will evidence a portion of the tax increment financing authorized by the Plan; and

WHEREAS, the proceeds of the Tax Increment Note will be used to reimburse the Developer for the cost of the public improvements as more specifically described in the Development Agreement; and

WHEREAS, the issuance of the Tax Increment Note and the reimbursement for the cost of public improvements pursuant to the Development Agreement will further the public purposes of KCDC by promoting redevelopment in the Redevelopment Area.
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:

RESOLVED, that the Chairman or the Vice Chairman of KCDC is hereby authorized and directed to execute, and, where requested, the Secretary or Assistant Secretary is authorized to attest, and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is (are) hereby authorized and empowered to (i) execute and deliver to the Developer the Development Agreement and any and all other instruments, documents and agreements deemed necessary or desirable by the Chairman or the Vice Chairman in order to evidence and document the development and acquisition of public improvements described therein properly in accordance with the requirements of KCDC and the Municipality, including without limitation assignments, certificates, affidavits, and any other instruments of any kind or nature whatsoever, 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 (ii) execute and deliver to the Municipality the Tax Increment Note and any and all other instruments, documents and agreements deemed necessary or desirable by the Municipality in order to evidence and secure the Tax Increment Note properly in accordance with the requirements of the Municipality, including without limitation security agreements, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form required by the Municipality and 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 (iii) take from time to time any other actions deemed necessary or desirable by the Authorized Officers to effect the transactions described above and to evidence the Development and Acquisition Agreement and the Tax Increment Note properly in accordance with the requirements of KCDC and the Municipality; and, further

RESOLVED, that it is in the best interest of KCDC to use the proceeds of the Tax Increment Note for the purpose of financing the acquisition of public improvements pursuant to the Development Agreement; 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.

Approved this 25th day of July, 2019.

KNOXVILLE’S COMMUNITY
DEVELOPMENT CORPORATION

By: ____________________________
Secretary
DEVELOPMENT AGREEMENT
RELATING TO THE CITY SOUTH APARTMENTS
KNOXVILLE SOUTH WATERFRONT REDEVELOPMENT & URBAN RENEWAL PLAN

THIS DEVELOPMENT AGREEMENT RELATING TO THE CITY SOUTH APARTMENTS (herein, the "Agreement") is made and entered into as of the ___ day of ______, 2019 by and among KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §§ 13-20-101, et seq. (“KCDC”) and [____________________], a Tennessee limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, KCDC desires to eliminate slum and blighting conditions and provide for the redevelopment of a certain area of Knoxville, Tennessee, pursuant to the Knoxville South Waterfront Redevelopment & Urban Renewal Plan as in effect as of the date hereof (herein the "Plan") regarding the redevelopment area described in the Plan (herein the "Redevelopment District"), approved by Resolution No. R-357-06 of the Council (herein the "Council") of the City of Knoxville (herein the "City"); and

WHEREAS, the Plan was approved by Knox County, Tennessee (herein the "County") pursuant to Resolution No. R-06-9-901 of the County Commission of the County (herein the "Commission"); and

WHEREAS, KCDC desires to provide for the construction of certain public improvements within the Redevelopment District to eliminate blight and provide for economic development necessary to support stabilization and improvement of surrounding areas; and

WHEREAS, the Developer is the owner of approximately [__] acres of land located at 726 Sevier Avenue in Knoxville, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “Developer Property”); and

WHEREAS, the City owns certain real property adjacent to the Developer Property on which certain public improvements have been constructed and more particularly described on Exhibit B attached hereto and incorporated herein by reference (the “City Property”); and

WHEREAS, the City has granted to KCDC a temporary construction easement over the City Property, and KCDC, pursuant to the terms of this Agreement, will grant to the Developer and its designated representatives the authority to utilize such construction easement; and

WHEREAS, the Developer Property and the City Property are located within the Redevelopment District and are referred to collectively hereinafter as the “Redevelopment Parcel”; and

WHEREAS, the Developer created plans for the development of a project on the Developer Property known as the "City South Apartments" (herein the "Private Improvements") consisting of the redevelopment of the site as a 117 unit apartment complex, including 3,500 square feet of ground floor retail space, in accordance with the plans more particularly described on Exhibit C attached hereto (the "Private Improvements Plans"), and requests the assistance of KCDC to complete its plans; and

WHEREAS, KCDC intends to finance the construction of certain public improvements on the City Property, including, but not limited to, certain street and road improvements, construction of a public
sidewalk, installation of underground utilities and certain storm water management improvements (collectively, the "Public Improvements") by agreeing to reimburse the Developer for the costs of such improvements; and

WHEREAS, KCDC desires to engage the Developer (or its agent) to construct the Public Improvements; and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the matters described above and related matters, the parties have entered into this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

ARTICLE I
REPRESENTATIONS AND WARRANTIES

Section 1.01. Representations and Warranties of the Developer. The Developer represents and warrants for the benefit of KCDC as follows:

(a) **Organization.** The Developer is a limited liability company duly organized, validly existing, in good standing, under and in compliance with, the laws of the State of Tennessee. The Developer has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) **Authority.** The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) **Binding Obligations.** This Agreement is a legal, valid and binding obligation of the Developer enforceable against the Developer in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) **No Litigation.** No litigation at law or in equity or proceeding before any governmental agency involving the Developer is pending or, to the knowledge of the Developer, threatened, in which any liability of the Developer is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Developer or the performance of its obligations hereunder.

(e) **No Default.** The Developer is not in default under or in violation of, and the execution, delivery and compliance by the Developer with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which the Developer is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Developer or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

Section 1.02. Representation and Warranties of KCDC. KCDC represents and warrants for the benefit of the Developer as follows:
(a) **Organization.** KCDC is a public non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) **Authority.** KCDC has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by KCDC.

(c) **Binding Obligations.** This Agreement is a legal, valid and binding obligation of KCDC enforceable against KCDC in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) **No Litigation.** No litigation at law or in equity or proceeding before any governmental agency involving KCDC is pending or, to the knowledge of KCDC, threatened, in which any liability of KCDC is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of KCDC or the performance of its obligations hereunder.

(e) **No Default.** KCDC is not in default under or in violation of, and the execution, delivery and compliance by KCDC with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which KCDC is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over KCDC or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

**ARTICLE II**

**DEVELOPMENT OF DEVELOPER PROPERTY**

**Section 2.01. Construction of Private Improvements.** The Developer shall develop and construct the Private Improvements in all material respects according to the Private Improvements Plans as submitted to and approved by the City. The Developer shall undertake the following development activities (the "Redevelopment Activities"):

(a) Obtain and file all necessary planning and administrative approvals as required to construct and operate the Private Improvements under applicable law and consistent with the Private Improvements Plans and the Plan.

(b) Make no material additions or alterations to the Private Improvements that are not approved by KCDC staff as being in substantial conformity with the Private Improvements Plans; provided, however, that KCDC’s approval rights over any additions or alterations shall not extend to the interior appearance of such improvements or the internal configuration of the apartment units constructed therein. KCDC’s approval of alterations or additions shall not be unreasonably withheld and shall occur within sixty (60) days of submission.

(c) Submit to KCDC a copy of a fully executed construction contract(s) for construction of the Private Improvements along with originals of performance and labor and materials payment bonds with regard to the construction contract(s), issued by a company satisfactory to KCDC, whose approval should not be unreasonably withheld.
(d) Fully construct or cause to be fully constructed the improvements anticipated by the Proposed Plans in accordance with the following requirements:

(i) An application for a building permit for the Private Improvements was filed on [__________].

(ii) Diligently pursue the redevelopment and construction of the Private Improvements, obtain a Certificate of Occupancy for the Private Improvements and commence marketing and leasing of the Private Improvements no later than [October 1, 2020], as such deadline may be extended from time to time with the written consent of KCDC. In connection therewith, KCDC shall agree to extensions of not more than ninety (90) days for each Excusable Delay (as defined herein), as long as the Developer notifies KCDC in writing in each case promptly after the occurrence of an Excusable Delay and specifies the nature and duration of the Excusable Delay. As used in this Agreement, "Excusable Delay" shall mean any unanticipated delay in commencement or completion of construction of the Private Improvements due to strikes, lockouts or other labor or industrial disturbance, civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockage, embargo, lightning, earthquake, fire, hurricane, tornado, flood washout, explosion, unusually inclement weather, moratorium or other unusual delay in obtaining necessary governmental permits or approvals (with the Developer using commercially reasonable efforts to obtain the same) or any other cause whatsoever beyond the reasonable control of the Developer (excluding financial inability to perform).

(iii) During and after completion of construction, take all steps reasonably necessary to effectuate the terms and conditions of this Agreement and materially adhere to the Private Improvements Plans.

(e) Not speculate in or with respect to the Redevelopment Parcel (i.e., sell or contract to sell any portion of the Redevelopment Parcel) prior to the completion of the Private Improvements except with the written approval of KCDC.

(f) Not discriminate upon the basis of race, color, creed, sex, handicap or national origin in the sale, lease or rental, or in the construction, of the Private Improvements or the use or occupancy of the Private Improvements or any part thereof.

(g) Avoid any use of the Private Improvements that is not in substantial compliance with the Private Improvements Plans and the Redevelopment Concept.

Section 2.02. Capital Cost. The Developer shall expend not less than $[__________] in connection with the development of the Private Improvements and upon completion of the Private Improvements shall inform the Knox County Tax Assessor of the amount expended by the Developer in connection with the development of the Private Improvements.

ARTICLE III
DESIGN AND CONSTRUCTION OF PUBLIC IMPROVEMENTS

Section 3.01. Preparation of Plans and Specifications. The Developer (or its representatives) have prepared and submitted to KCDC and the City and KCDC and the City have approved plans and specifications for the Public Improvements, more particularly described on Exhibit D attached hereto (the
"Public Improvement Plans"), which have been prepared in compliance with all applicable law, regulations and other governmental requirements and standards. The Public Improvements shall generally consist of the improvement of certain sidewalks, streets and roads as well as the installation of underground utilities and storm water management improvements as is generally shown on the site plan attached hereto as Exhibit E (the "Site Plan"). The Developer agrees to make no material changes to the Public Improvement Plans without the prior written approval of KCDC, which approval shall not be unreasonably withheld or delayed.

**Section 3.02. Permits and Approvals.** The Developer shall obtain and file all necessary planning and administrative approvals as required to construct the Public Improvements under applicable law and consistent with the Public Improvement Plans and the Plan.

**Section 3.03. Construction of the Public Improvements.** KCDC acknowledges that the Developer is not a licensed contractor and that the Developer shall retain a general contractor to undertake the construction of the Public Improvements as described below. The Developer shall cause the Public Improvements to be fully completed and available for public use not later than [______]. In connection therewith, KCDC shall agree to extensions of not more than ninety (90) days for each Excusable Delay, as long as the Developer notifies KCDC in writing in each case promptly after the occurrence of an Excusable Delay and specifies the nature and duration of the Excusable Delay; provided, however, the Public Improvements must be completed before the Private Improvements are deemed complete pursuant to Section 2.01(d) hereof. The Public Improvements shall be constructed in compliance with all applicable laws, rules, ordinances and regulations, including but not limited to those environmental in nature.

**Section 3.04. General Contractor.** The Developer shall enter into a contract (the "Public Improvements Construction Contract") with a general contractor or contractors licensed in Tennessee to construct the Public Improvements, which contractor(s) shall have substantial experience in construction of public infrastructure and, as to any contractor or subcontractor undertaking road improvements, shall be certified in highway, railroad and airport construction ("HRA"). The Public Improvements Construction Contract shall specify the costs and expenses in connection with the construction of the Public Improvements and shall not include any other costs and expenses. The City will retain a Tennessee licensed inspecting engineer/architect (the "Construction Inspector") to inspect the Public Improvements during to construction and to provide independent reviews and certifications of progress and to confirm that the cost of the construction of the Public Improvements pursuant to the Public Improvements Construction Contract are reasonable and represent a fair market value for the work being performed. If the construction cost set forth in the proposed Public Improvements Construction Contract is not fair market value in the judgment of the Construction Inspector, the parties will negotiate in good faith a fair market value price. The Public Improvements Construction Contract shall require the contractor or its subcontractor(s) to obtain performance and payment bonds guaranteeing performance of the contractor's obligations under the Public Improvements Construction Contract in such amounts and upon such terms as are reasonably acceptable to KCDC and as to which KCDC shall be named as a dual obligee, issued by a surety, acceptable to KCDC. Pursuant to the Public Improvements Construction Contract, the general contractor shall also be required to carry liability insurance in an amount and scope as is typical for a project of such type in a form reasonably satisfactory to KCDC, and KCDC and the City shall be named as additional insureds on such insurance. The Developer shall provide evidence of such insurance to KCDC, all as described in Section 6.01 hereof. The Public Improvements Construction Contract shall provide for retainerage of payments in a manner typical for contracts of such type.

**Section 3.05. Inspection Rights.**
(a) During the construction process, the Developer shall permit KCDC and the City and their representatives and agents to inspect the Public Improvements being constructed and all materials to be used in the construction thereof, including the testing of such materials, and will cooperate and cause its general contractor to cooperate with KCDC, the City and their representatives and agents during such inspections (including making available to KCDC or the City, as applicable, working copies of the Public Improvement Plans together with all related supplementary materials).

(b) Upon completion of construction of the Public Improvements, the Developer shall permit KCDC or its designee and the City to inspect the completed Public Improvements. During such inspection, KCDC will determine whether the Public Improvements have been constructed in accordance with the Public Improvement Plans as they may be modified in accordance with this Agreement and to KCDC’s satisfaction. If the Public Improvements have been constructed in accordance with the Public Improvement Plans and to KCDC’s satisfaction, KCDC shall provide written notice to the Developer advising the Developer of the satisfactory completion of the Public Improvements and of KCDC’s intent to reimburse the Developer for the cost or a portion of the cost of the construction of the Public Improvements.

Section 3.06. Payment of Construction Costs. KCDC shall have no obligation to advance any funds for the costs of construction incurred pursuant to the Public Improvements Construction Contract except as specifically stated herein.

Section 3.07. Discrimination. The Developer shall not discriminate upon the basis of race, color, creed, sex, handicap or national origin in connection with the construction, of the Public Improvements or any part thereof.

Section 3.08. Easement. KCDC hereby establishes and creates for the benefit of the Developer and their agents, successors and assigns (including but not limited to any general contractor selected by the Developer) an exclusive easement, license, right and privilege to utilize and cross over, under and through the City Property in order to construct the Public Improvements thereon. Such easement shall be evidenced by an instrument agreed upon by KCDC and the Developer prepared in a form recordable with the Register’s Office.

Section 3.09. Surveys. Upon completion of the Public Improvements, the Developer will provide KCDC with an as-built survey of the completed Public Improvements, together with copies of all licenses, permits, surveys and inspection reports with respect thereto.

ARTICLE IV
REIMBURSEMENT OF THE COST OF THE PUBLIC IMPROVEMENTS BY KCDC

Section 4.01. Reimbursement by KCDC. Within thirty (30) days of (i) completion of the Private Improvements (completion deemed to occur with the issuance of a certificate of occupancy by the applicable governmental authority) in accordance with Section 2.01(d) hereof, (ii) completion of construction of the Public Improvements (completion deemed to occur when the Construction Inspector deems the Public Improvements completed), and (iii) receipt of the notice of intent to reimburse described in Section 3.05 hereof, KCDC agrees to reimburse the Developer for the cost or a portion of the cost of the Public Improvements in the amount provided in Section 4.03 hereof. At the time of such reimbursement, the City Property shall not be subject to any liens or encumbrances unless otherwise approved in writing by KCDC. The Developer shall assign all warranties related to the Public
Improvements to KCDC upon reimbursement of the cost or a portion of the cost of the construction of the Public Improvements Parcel.

Section 4.02. Representations and Warranties of the Developer With Respect to the Public Improvements Parcel. In addition to any other representations and warranties in this Agreement, the Developer hereby represents and warrants as follows as of the date of payment of the Reimbursement Amount (the “Closing Date”), which representations and warranties shall survive the termination of this Agreement:

(a) There is no claim against the Public Improvements Parcel or KCDC for or on account of work done, materials furnished, and utilities supplied to the Public Improvements Parcel, and the Developer is not aware of any circumstances that would lead to such a claim arising prior to the Closing Date.

(b) There are not now outstanding in respect to the Public Improvements Parcel any uncorrected violations of notices or uncorrected violations of any laws, statutes, ordinances, rules, or regulations.

(c) The Public Improvements Parcel is not subject to any outstanding agreements of sale, options, liens, or other rights of third parties to acquire any interest therein.

Section 4.03. Reimbursement Amount. The maximum total amount required to be reimbursed by KCDC to the Developer for the construction of the Public Improvements shall be [_____________________] and No/100ths Dollars ($[______]) (the “Maximum Reimbursement Amount”). Notwithstanding anything herein to the contrary, the City shall be reimbursed for the cost of the Construction Inspector prior to any reimbursement of the Developer for the cost of the Public Improvements. The Maximum Reimbursement Amount shall be reduced by the cost of the Construction Inspector. The Developer shall provide evidence of the actual cost to construct the Public Improvements to KCDC. If such evidence demonstrates that the actual cost of the Public Improvements is less than the Maximum Reimbursement Amount, then the reimbursement amount for the cost to construct the Public Improvements shall be an amount equal to the actual cost of the Public Improvements. If the actual cost of the Public Improvements exceeds the Maximum Reimbursement Amount, then KCDC shall not be required to pay such excess, but the Developer shall still be required to cause the completion of the Public Improvements for the Maximum Reimbursement Amount.

ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Event of Default. The occurrence and continuance of any of the following events shall constitute an "Event of Default":

(a) failure of the Developer to perform any of its obligations under this Agreement after written notice is given to the Developer of such failure and the Developer has not cured such failure within ten (10) calendar days of such notice; provided, however, such notice and cure period shall not apply to the defaults contained in subsection (b) through (i) of this Section 5.01; or

(b) any material representation, warranty, certification or other statement made or deemed made by the Developer in this Agreement or in any statement or certificate at any time given by the Developer in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made; or
(c) the Developer shall fail to complete the Private Improvements in accordance with Section 2.01(d) hereof on or before [October 1, 2020]; or

(d) the Developer shall fail to complete the Public Improvements in accordance with Section 3.03 hereof on or before [_______________]; or

(e) (i) a court of competent jurisdiction shall enter a decree or order for relief in respect of the Developer in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against the Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect which is not dismissed within ninety (90) days after filing; or (iii) a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Developer, as the case may be, or over all or a substantial part of its property, shall have been entered which is not dismissed within ninety (90) days after filing; or (iv) there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of the Developer for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of the Developer which is not dismissed within ninety (90) days after filing; or

(f) the Developer shall have an order for relief entered with respect to it or shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or the Developer shall make any assignment for the benefit of creditors, or the Developer shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the Developer shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 5.01(d); or

(g) construction of the Public Improvements shall be abandoned or shall cease and not be resumed within fifteen (15) days thereafter (other than as a result of Excusable Delay); or

(h) any of the materials, fixtures or articles used in the construction of the Public Improvements or the appurtenances thereto shall not fully comply with the plans and Public Improvements Plans; or

(i) KCDC or the City or their representatives are not permitted, at all reasonable times and upon reasonable advance notice, to inspect the Public Improvements and the construction thereof and all materials, fixtures and articles used or to be used in the construction and to examine all detailed plans, shop drawings, specifications and other records that relate to the Public Improvements or if the Developer shall fail to furnish to KCDC or the City, when requested, copies of such plans, drawing and/or specifications; or

(j) a default shall occur under the Construction Loan and all permitted cure periods shall have expired.

Section 5.02. KCDC Remedies. If an Event of Default occurs hereunder, KCDC may (a) terminate this Agreement, at which time all of the rights and privileges of the Developer hereunder shall cease and be of no further force or effect, and/or (b) pursue whatever other remedies are available at law
or in equity which are necessary or desirable to effect the purposes of this Agreement. KCDC's termination of the rights of the Developer shall not terminate or otherwise adversely affect the rights of KCDC to pursue and exercise other remedies against the Developer.

Section 5.03. Waiver. No failure by KCDC to exercise any right, remedy, or option under this Agreement or any present or future supplement hereto, or delay by KCDC in exercising the same, will operate as a waiver thereof. No waiver by KCDC will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by KCDC on any occasion shall affect or diminish KCDC's rights thereafter to require strict performance by the Developer of any provision of this Agreement. KCDC's rights under this Agreement will be cumulative and not exclusive of any other right or remedy which KCDC may have.

Section 5.04. KCDC Events of Default. The occurrence and continuance of failure of KCDC to perform any of its obligations under this Agreement after written notice is given to KCDC of such failure and KCDC has not cured such failure within ten (10) days of such notice shall constitute a "Governmental Event of Default."

Section 5.05. The Developer’s Remedies. If any Governmental Event of Default listed above occurs, the Developer may elect to terminate this Agreement, as well as for the damages resulting from the Governmental Event of Default, but any liability of KCDC shall be subject to the limitations of Section 7.01 hereof. In any event, the liability of KCDC for any Governmental Event of Default or any other claim by the Developer under this Agreement or related to this Agreement or the transactions to be consummated hereunder shall be specifically limited by the terms of Section 7.01 hereof.

ARTICLE VI
INSURANCE, INDEMNITY AND MAINTENANCE

Section 6.01. Insurance. The Developer to maintain, at the Developer’s sole expense, on a primary and non-contributory basis, at all times during the life of this Agreement insurance coverages, limits, and endorsements described herein. All insurance must be underwritten by insurers with an A.M. Best rating of A-VI or better. Upon execution of this Agreement, the Developer shall provide Certificate(s) of Insurance to KCDC evidencing said insurance coverages.

The Developer agrees the insurance requirements herein as well as KCDC’s review or acknowledgement, is not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Developer under this Agreement. The Developer shall maintain the following coverages:

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance with a limit of not less than $2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than $3,000,000.

Such insurance shall contain or be endorsed to contain a provision that includes KCDC, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Developer including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.
The Additional Insured shall read “Knoxville’s Community Development Corporation (KCDC)” and “the City of Knoxville.”

If necessary, umbrella/excess liability insurance can be used in conjunction with the general liability insurance to meet these requirements. Unless the umbrella/excess liability insurance provides coverage on a pure/true follow-form basis, or KCDC and the City are automatically defined as an additional insured, the Developer shall add by endorsement, KCDC its officials, officers, employees, and volunteers as an additional insured and the City its officials, officers, employees, and volunteers as an additional insured.

(b) **Certificate and Policy Requirements.** The Developer shall comply with the following requirements:

(i) Upon execution of this Agreement, furnish KCDC with original Certificates of Insurance and amendatory endorsements effecting coverage required by this section. Certificates of Insurance shall provide a minimum 30-day endeavor to notify KCDC of cancellation when available by the Developer’s insurance. If the Developer receives a non-renewal or cancellation notice from an insurance carrier affording the required coverage, or receive notice that coverage no longer complies with the insurance requirements herein, the Developer shall notify KCDC by email within five (5) business days and provide a copy of the non-renewal for cancellation notice or written specifics as to which coverage is no longer in compliance.

(ii) The certificate holder address shall read:

Knoxville’s Community Development Corporation
Attn: Contracting Officer
901 Broadway, NE
Knoxville, TN 37917

The City of Knoxville
Attn: Boyce Evans, Purchasing Agent
P.O. Box 1631
Knoxville, TN 37901

(iii) Provide certified copies of endorsements and policies if requested by KCDC or the City in lieu of or in addition to Certificates of Insurance.

(iv) Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
(v) Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by KCDC as a material breach of this Agreement.

(vi) Any deductibles and/or self-insured retentions greater than $50,000 must be disclosed to and approved by KCDC prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by KCDC.

(vii) Provide a waiver of subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, the policy should be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This waiver of subrogation requirement shall not apply to any policy which includes a condition specifically prohibiting such an endorsement, or voids coverage should contractor enter into such an agreement on a pre-loss basis.

(viii) All policies must be written on an occurrence basis.

(c) **Right to Revise or Reject.** KCDC reserves the right, but not the obligation, to review or revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work / specifications affecting the applicability of coverage.

(d) **No Representation of Coverage Adequacy.** The coverages, limits or endorsements required herein protect the primary interests of KCDC and the City, and the Developer agrees in no way should these coverages, limits or endorsements required be relied upon when assessing the extent or determining appropriate types and limits of coverage to protect the contractor against any loss exposures, whether as a result of the project or otherwise.

**Section 6.02 Indemnity.** The Developer shall indemnify KCDC and the City, their respective successors and assigns, and every director, officer, employee of KCDC and the City (individually, an "Indemnitee") with respect to, and hold each Indemnitee harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against such Indemnitee, in any way relating to or arising out of this Agreement (other than as a result of a breach hereof by KCDC), or the development of the Redevelopment Parcel ("Indemnification Liabilities"); provided, however, at no time shall the Developer indemnify liabilities resulting from the gross negligence or willful misconduct of KCDC or the City. The Developer shall reimburse each Indemnitee on demand from time to time for all Indemnification Liabilities incurred by such Indemnitee. Each Indemnitee will promptly notify the Developer of the commencement of any proceeding involving it in respect of which indemnification may be sought pursuant to this Section. The obligations of the Developer under this **Section 6.02** shall survive the termination of this Agreement.

**ARTICLE VII**
**MISCELLANEOUS**

**Section 7.01 KCDC and City Liability. No Personal Liability.** THE LIABILITY OF KCDC AND THE CITY FOR ANY CLAIM BY THE DEVELOPER IS EXPRESSLY LIMITED TO THE
MAXIMUM REIMBURSEMENT AMOUNT, AND, OTHERWISE, NEITHER KCDC NOR THE CITY SHALL HAVE ANY PECUNIARY LIABILITY UNDER THIS AGREEMENT FOR ANY ACT OR OMISSION OF KCDC OR THE CITY. NO OTHER PROPERTY OR ASSETS OF KCDC OR THE CITY SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER PROCEDURES FOR THE SATISFACTION OF REMEDIES OF THE DEVELOPER HEREUNDER OR RELATING HERETO. UNDER NO CIRCUMSTANCES SHALL KCDC OR THE CITY BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES, ALL OF WHICH ARE HEREBY WAIVED BY THE DEVELOPER. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS AGREEMENT OR ANY TRANSACTION OR MATTER RELATING HERETO AGAINST ANY PAST, PRESENT OR FUTURE DIRECTOR, OFFICER, MEMBER, EMPLOYEE, COUNSEL, OR AGENT OF KCDC OR THE CITY, WHETHER DIRECTLY OR INDIRECTLY, AND ALL SUCH LIABILITY OF ANY SUCH INDIVIDUAL AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR KCDC ENTERING INTO THIS AGREEMENT.

Section 7.02 Construction Loan. KCDC and the Developer hereby acknowledge and agree that the Developer (or its principal owners) intend to obtain a loan from [Bank of Tennessee] ("Lender") for the purpose of financing the construction of the Public Improvements (the "Bank of Tennessee Loan"). KCDC and the Developer also hereby agree and acknowledge that the Developer intends to assign its rights under this Agreement for the purpose of securing the Bank of Tennessee Loan pursuant to the Assignment attached hereto as Exhibit E. KCDC hereby agrees that if the Developer defaults on the Bank of Tennessee Loan and Lender exercises its rights under the performance and payment bond securing the performance of the Developer’s general contractor, then KCDC will agree to extend the time period for the completion of the Public Improvements for a period of one hundred and eighty (180) days upon receipt of written confirmation of Lender’s intent to complete the Public Improvements Project; provided, however, such written confirmation must be received no later than thirty (30) days after the occurrence of the default on the Bank of Tennessee Loan.

Section 7.03 Assignment. Except as provided in Section 7.02 of this Agreement, the Developer may not assign or transfer this Agreement, or any interest of the Developer hereunder, without the prior written consent of KCDC. Any such assignment shall not relieve the Developer of the Developer’s liability for the performance of its duties and obligations hereunder unless KCDC consents to such release. Further, the members of the Developer may not transfer their ownership interests in the Developer without the prior written consent of KCDC.

Section 7.04 [Financing of the Private Improvements. KCDC shall have no liability under this Agreement until the Developer has closed on its financing for the Private Improvements. The Developer shall provide written notice to KCDC confirming that the Developer has obtained financing sufficient to complete the Private Improvements. Upon receipt of such notice, KCDC shall commence performance in accordance with this Agreement.]

Section 7.05 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties.

Section 7.06 Notices. Any notice, request, demand, tender or other communication under this Agreement shall be in writing, and shall be deemed to have been duly given at the time and on the date when personally delivered, or upon the Business Day (as defined below) following delivery to a nationally recognized commercial courier for next day delivery, to the address for each party set forth below, or upon the third (3rd) Business Day after being deposited in the United States Mail, Certified Mail, Return Receipt Requested, with all postage prepaid, to the address for each party set forth below.
If to the Developer to:

[__________]
PO Box 52067
Knoxville, Tennessee 37950
Attn: Mark Taylor

If to KCDC:

Knoxville's Community Development Corporation
901 Broadway
P. O. Box 3550
Knoxville, Tennessee 37927-3550
Attention: Executive Director/CEO

with a copy to:

City of Knoxville
Attn: Law Director
P. O. Box 1631
Knoxville, Tennessee 37902

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of such communication. By giving prior notice to all other parties, any party may designate a different address for receiving notices.

Section 7.07 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee. Venue for any action arising out of this Agreement shall be exclusively in Knox County, Tennessee.

Section 7.08 Entire Agreement. This Agreement supersedes all prior discussions and agreements between KCDC and the Developer with respect all matters contained herein. This Agreement contains the sole and entire understanding among KCDC and the Developer with respect to the transactions contemplated by this Agreement.

Section 7.09 Amendment. This Agreement shall not be modified or amended in any respect except by written agreement executed by or on behalf of the parties to this Agreement in the same manner as this Agreement is executed.

Section 7.10 Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.11 Captions. All captions, headings and section and paragraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Agreement and shall not supplement, limit or otherwise vary in any respect the text of this Agreement. All references to particular sections, paragraphs or subparagraphs by number refer to the particular section, paragraph or subparagraph so numbered in this Agreement unless reference to another document or instrument is specifically made.
Section 7.12 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same Agreement.

Section 7.14 Term. Unless terminated earlier as provided herein, this Agreement shall be effective as of the date hereof and shall remain in effect until the parties have performed all of their obligations hereunder or until terminated upon default or by mutual agreement of the parties or their successors and assigns.

Section 7.15 No Government Limitation. This Agreement shall not be construed to bind any other agency or instrumentality of federal, state or local government in the enforcement of any regulation, code or law under its jurisdiction.

Section 7.16 Time of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Agreement.

Section 7.17 Business Days. For purposes of this Agreement, "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of Tennessee. If any date on which performance or notice is due under this Agreement is not a Business Day, performance or notice shall not be due until the next Business Day.

Section 7.18 City as Third Party Beneficiary; City as KCDC Representative. The parties to this Agreement hereby agree and acknowledge that the City is an express and intended third party beneficiary of this Agreement. Developer acknowledges that KCDC may request representatives of the City to undertake any action on behalf of KCDC permitted or required hereunder, in which case such representative of the City shall be deemed to be acting on behalf of KCDC hereunder.

Section 7.19 Expenses. The Developer shall pay all costs and expenses of KCDC and the City in connection with the negotiation and execution of this Agreement and the performance hereof, including the reasonable fees and expenses of KCDC's attorneys. In addition, in the event that the Developer shall be required to engage legal counsel for the enforcement of any of the terms of this Agreement, whether or not such employment shall require institution of suit or other legal services required to secure compliance on the part of the Developer, the Developer shall be responsible for and shall promptly pay to KCDC the reasonable value of said attorneys' fees, and any other expenses incurred by KCDC as a result of such default.

[Signature pages to follow]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ____________________________________________________________
    Chairman

ATTEST:

______________________________________________________________
Secretary

DEVELOPER:

[______________________________________________________________]

By: ____________________________________________________________
    Name: ____________________________________________________
    Title: ____________________________________________________
EXHIBIT A
DEVELOPER PROPERTY
EXHIBIT B

CITY PROPERTY
EXHIBIT C

PRIVATE IMPROVEMENTS PLANS

(see attached)
EXHIBIT D

SITE PLAN

(see attached)
EXHIBIT D

BANK OF TENNESSEE ASSIGNMENT

(see attached)
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>July 25, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution approving the Section 8 Management Certification Assessment Program (SEMAP) for the Fiscal Year July 1, 2018 - June 30, 2019.</td>
</tr>
</tbody>
</table>
| SUBMITTED BY | Name & Title: Debbie Taylor-Allen, Section 8 Director  
Department: Section 8 |
| MEETING TYPE | ☒ Regular ☐ Special |
| AGENDA CLASSIFICATION | ☒ Resolution ☐ Regular |
| BUDGET / FINANCIAL IMPACT | Budgeted: __________  Expenditure: __________  
Source of Funds: |
| APPROVAL/REVIEWS | ☒ Department Head /Vice President ☐ Budget/Finance  
☐ Legal Counsel  Name of Reviewer: Debbie Taylor-Allen  
☒ Executive Director/CEO  ☒ Other - Name & Title: Board Chair |
| STAFF RECOMMENDED ACTIONS | Approve: ☒  Deny: ☐  Defer: ☐ |

## BACKGROUND

1. What’s the objective of the requested action?  
To obtain approval for submission to HUD for the approval of the SEMAP Certification for the KCDC Section 8 program.

2. Why is the action needed now?  
Signed SEMAP Certification form and resolution.

3. Who are the parties involved and what are their roles (if appropriate)?  
Debbie Taylor-Allen, Section 8 Director  
John Winemiller, Board Chairman  
Sean Gilbert, Senior Vice-President  
Benjamin M. Bentley, Executive Director/CEO

4. What are the long term and short term exposures to KCDC?  
Annual Certification to be completed each year.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

- This certification has been presented and signed each year since inception of SEMAP. KCDC has historically been a high performer in SEMAP each year.

## ATTACHMENTS

- Resolution  
- HUD Form 52648  
- SAFMR Payment standards to be attached with HUD 52648 SEMAP Certification for indicator 8.
RESOLUTION NO. 2019-___

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
APPROVING THE SECTION 8 MANAGEMENT
ASSESSMENT PROGRAM CERTIFICATION
FOR FISCAL YEAR JULY 1, 2018 THROUGH JUNE 30, 2019

WHEREAS, the Single Audit Act of 1996 established the Section 8 Management Assessment Program (SEMAP) to objectively measure a PHA performance in Section 8 tenant–based programs.

WHEREAS, The Department of Housing and Urban Development (HUD), as specified in the legislation, will use the SEMAP Certification as an objective system for measuring Knoxville’s Community Development Corporation’s (KCDC) performance in Section 8 tenant–based programs.

WHEREAS, HUD requires that such data be compiled and certified by KCDC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville’s Community Development Corporation that the data contained in the Section 8 Management Assessment Certification Form (HUD form 52648) is correct and approved for submission.

Approved this 25th day of July, 2019.

KNOXVILLE’S COMMUNITY
DEVELOPMENT CORPORATION

By: __________________________
   Secretary
Section 8 Management Assessment
Program (SEMAP)
Certification

Public reporting burden for this collection of information is estimated to average 12 hours 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. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions
Respond to this certification form using the PHA’s actual data for the fiscal year just ended.

<table>
<thead>
<tr>
<th>PHA Name</th>
<th>For PHA FY Ending (mm/dd/yyyy)</th>
<th>Submission Date (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knoxville's Community Development Corporation</td>
<td>06/30/2019</td>
<td>08/05/2019</td>
</tr>
</tbody>
</table>

Check here if the PHA expends less than $300,000 a year in Federal awards
Indicators 1 - 7 will not be rated if the PHA expends less than $300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than $300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))
   (a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.
   - PHA Response [ ] Yes [x] No [ ]

   (b) The PHA’s quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA’s policies and met the selection criteria that determined their places on the waiting list and their order of selection.
   - PHA Response [x] Yes [ ] No [ ]

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)
   (a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA’s method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.
   - PHA Response [x] Yes [ ] No [ ]

   (b) The PHA’s quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):
   - PHA Response [x] At least 98% of units sampled [ ] 80 to 97% of units sampled [ ] Less than 80% of units sampled [ ]

   The PHA’s quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly determined third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):
   - PHA Response [x] At least 90% of files sampled [ ] 80 to 89% of files sampled [ ] Less than 80% of files sampled [ ]

   The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.
   - PHA Response [x] Yes [ ] No [ ]

5. HQS Quality Control Inspections. (24 CFR 982.405(b))
   A PHA supervisor (or other qualified person) reinspects a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor’s reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.
   - PHA Response [x] Yes [ ] No [ ]

6. HQS Enforcement. (24 CFR 982.404)
   The PHA’s quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):
   - PHA Response [x] At least 98% of cases sampled [ ] Less than 98% of cases sampled [ ]
7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable □ □

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes ☑ No □

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes ☑ No □

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes ☑ No □

(d) The PHA’s information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes ☑ No □

(e) The PHA’s information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes ☑ No □

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes ☑ No □

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

Enter current FMRs and payment standards (PS)

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>FMR</th>
<th>PS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-BR FMR</td>
<td>566</td>
<td>566</td>
</tr>
<tr>
<td>1-BR FMR</td>
<td>698</td>
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<td>2-BR FMR</td>
<td>855</td>
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</tr>
<tr>
<td>3-BR FMR</td>
<td>1114</td>
<td>1114</td>
</tr>
<tr>
<td>4-BR FMR</td>
<td>1405</td>
<td>1405</td>
</tr>
</tbody>
</table>

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes ☑ No □

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes ☑ No □

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes ☑ No □

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes ☑ No □

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes ☑ No □

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable □ □

PHA Response Yes ☑ No □

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition; disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

0

or, Number of mandatory FSS slots under HUD-approved exception
b. Number of FSS families currently enrolled

30

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

0

Percent of FSS slots filed (b + c divided by a)

115.00

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response Yes ☑ No ☐

0

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

1. Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;

2. The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA’s principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

3. The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA’s principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes ☑ No ☐ If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Certification Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA’s capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

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)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) ____________________________ Date (mm/dd/yyyy) ____________________________

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.
SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) 08/05/2019

PHA Name _______________ Knoxville's Community Development Corporation

Principal Operating Area of PHA _______________ Knoxville/Knox County Tennessee
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs: Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating area) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area _______________ 26.5

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

1) _______________ 1,198
   a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.

   _______________ 1,688
   b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.

   _______________ 70.97
   c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA’s principal operating area at the end of the last PHA FY (line a divided by line b).

   Is line c 50% or more? Yes ☑ No ☐

2) _______________ 70.97
   a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA’s principal operating area at the end of the last completed PHA FY.

   _______________ 347
   b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.

   _______________ 517
   c. Number of Section 8 families with children who moved during the last completed PHA FY.

   _______________ 67.12
   d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

   Is line d at least two percentage points higher than line a? Yes ☐ No ☑

3) _______________ 70.68
   a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA’s principal operating area at the end of the second to last completed PHA FY.

   _______________ 761
   b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.

   _______________ 1,092
   c. Number of Section 8 families with children who moved during the last two completed PHA FYs.

   _______________ 69.69
   d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

   Is line d at least two percentage points higher than line a? Yes ☐ No ☑

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.
# FAIR MARKET RENTS
*(MAXIMUM AMOUNT FOR CONTRACT RENT AND UTILITY ALLOWANCE)*

### VOUCHER PAYMENT STANDARD

<table>
<thead>
<tr>
<th>NUMBER OF BEDROOMS</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>566</td>
<td>698</td>
<td>855</td>
<td>1114</td>
<td>1405</td>
<td>1615</td>
<td>1826</td>
</tr>
</tbody>
</table>

### SAFMR-EXCEPTION PAYMENT STANDARDS BY ZIP CODE

<table>
<thead>
<tr>
<th>ZIP CODE</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>37919</td>
<td>630</td>
<td>800</td>
<td>980</td>
<td>1270</td>
<td>1640</td>
<td>1886</td>
<td>2132</td>
</tr>
<tr>
<td>37920</td>
<td>560</td>
<td>700</td>
<td>860</td>
<td>1110</td>
<td>1440</td>
<td>1656</td>
<td>1872</td>
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<tr>
<td>37921</td>
<td>693</td>
<td>858</td>
<td>1045</td>
<td>1364</td>
<td>1716</td>
<td>1973</td>
<td>2230</td>
</tr>
</tbody>
</table>

- 5 Bedroom Fair Market Rent = 115% of 4-bedroom Fair Market Rent
- 6 Bedroom Fair Market Rent = 130% of 4-bedroom Fair Market Rent
- Manufactured Home Space Rental = 40% of 2-Bedroom Fair Market Rent = $342.00
## BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>July 25, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution approving the charge to collection loss of delinquent accounts for Public Housing, Multi-Family Housing, Section 8 and The Manor</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Tracee B. Pross, Chief Financial Officer</td>
</tr>
<tr>
<td></td>
<td>Department: Executive Management</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☑ Regular</td>
</tr>
<tr>
<td></td>
<td>☐ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☑ Resolution</td>
</tr>
<tr>
<td></td>
<td>☐ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: __________ Expenditure: __________</td>
</tr>
<tr>
<td>Source of Funds:</td>
<td>See attached write-off figures for each program</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☑ Department Head / Vice President</td>
</tr>
<tr>
<td></td>
<td>☑ Executive Director/CEO</td>
</tr>
<tr>
<td></td>
<td>☐ Legal Counsel</td>
</tr>
<tr>
<td></td>
<td>Name of Reviewer: ____________________________</td>
</tr>
<tr>
<td></td>
<td>☐ Other - Name &amp; Title: ______________________</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☑</td>
</tr>
<tr>
<td></td>
<td>Deny: ☐</td>
</tr>
<tr>
<td></td>
<td>Defer: ☐</td>
</tr>
</tbody>
</table>

### BACKGROUND

1. **What’s the objective of the requested action?**
   To seek Board approval for the write-off of delinquent rental accounts per policy and audit requirements.

2. **Why is the action needed now?**
   This action is required annually after analysis of delinquent accounts through the fiscal year period of June 30.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   KCDC management, residents, accounts receivable staff, and third party collection agency

4. **What are the long term and short term exposures to KCDC?**
   MASS (Management Assessment SubSystem) scores could be negatively impacted.

### HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

Annual approval of the write-off of delinquent accounts is an audit and policy requirement. All accounts upon vacancy are pursued initially by KCDC to arrange payment. If this effort is unsuccessful, the account is submitted to a third party collection agency to pursue over a 5 year period. Applicants for housing must pay prior balances (6 yr statute of limitations) for readmission.

### ATTACHMENTS

Resolution, Program Summaries

EM Form (8/25/2015)
RESOLUTION NO. 2019-___

RESOLUTION APPROVING THE CHARGE TO COLLECTION LOSS
OF DELINQUENT
PUBLIC HOUSING, MULTI–FAMILY HOUSING, SECTION 8 AND THE MANOR
RENTAL ACCOUNTS
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

WHEREAS, the fiscal and accounting procedures of Knoxville's Community
Development Corporation require a periodic charge to collection loss of all outstanding
Tenant Accounts Receivable which are delinquent; and

WHEREAS, a report of these accounts has been made as of June 30, 2019, which
report is attached hereto; and

WHEREAS, Board approval authorizing the charge to collection loss of all
delinquent Public Housing, Multi–Family Housing, Section 8 and The Manor rental
accounts as of June 30, 2019, is requested.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's
Community Development Corporation that the Executive Director/CEO is authorized and
directed to charge all delinquent Public Housing, Multi–Family Housing, Section 8 and The
Manor rental accounts to collection loss as of June 30, 2019 and to adjust all necessary
accounting records to reflect such action.

Approved this ____ day of _________________, 2019.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: ________________________
Benjamin M. Bentley, Secretary
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

TENANT'S ACCOUNTS RECEIVABLE RECOMMENDED
TO BE CHARGED TO COLLECTION LOSS
FOR THE YEAR ENDING JUNE 30, 2019

<table>
<thead>
<tr>
<th>PUBLIC HOUSING SUMMARY</th>
<th>CURRENT</th>
<th>* RENT</th>
<th>MAINTENANCE</th>
<th>COURT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>RENT</td>
<td>CHARGE</td>
<td>COST</td>
</tr>
<tr>
<td>Low Income Public Housing</td>
<td>255,573.83 $</td>
<td>87,926.99 $</td>
<td>26,004.42 $</td>
<td>26,811.00 $</td>
</tr>
<tr>
<td>TOTAL NUMBER OF ACCOUNTS</td>
<td>253</td>
<td>176</td>
<td>18</td>
<td>167</td>
</tr>
<tr>
<td>AVERAGE WRITE-OFF AMOUNT</td>
<td>$852.07</td>
<td>$558.08</td>
<td>$1,910.00</td>
<td>340.38</td>
</tr>
</tbody>
</table>

COLLECTIONS ON PREVIOUS YEAR END WRITEDOFFS
FOR THE YEAR ENDING JUNE 30, 2019

<table>
<thead>
<tr>
<th>Collection</th>
<th>TOTAL</th>
<th>KCDC Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Public Housing</td>
<td>94,789.81 $</td>
<td>92,070.33 $</td>
</tr>
</tbody>
</table>

* Represents numerous accounts with Fraud (Earned Income Verification)
Western Heights (301-304) (17 accounts totaling $26,083.43)
Austin Homes (306) (17 accounts totaling $7,680)
Northgate Terrace (301) (1 account totaling $126.90)
North Ridge Crossing (35) (1 account totaling $104.00)

<table>
<thead>
<tr>
<th>PREVIOUS YEAR WRITE-OFFS</th>
<th>CURRENT</th>
<th>* RENT</th>
<th>MAINTENANCE</th>
<th>COURT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>RENT</td>
<td>CHARGE</td>
<td>COST</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>$275,988.15 $</td>
<td>$109,948.64 $</td>
<td>$38,285.76 $</td>
<td>$66,841.74 $</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>$483,137.76 $</td>
<td>$179,340.94 $</td>
<td>$66,346.00 $</td>
<td>$60,991.77 $</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>$336,342.82 $</td>
<td>$134,189.39 $</td>
<td>$19,675.91 $</td>
<td>$113,193.34 $</td>
</tr>
<tr>
<td>TOTAL PREVIOUS YRS</td>
<td>$9,011,635.73 $</td>
<td>$3,539,166.00 $</td>
<td>$173,311.37 $</td>
<td>$317,361.86 $</td>
</tr>
</tbody>
</table>

PREVIOUS YEAR COLLECTIONS

| TOTAL PREVIOUS YRS | $188,839.98 |

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

TENANT'S ACCOUNTS RECEIVABLE RECOMMENDED
TO BE CHARGED TO COLLECTION LOSS
FOR THE YEAR ENDING JUNE 30, 2019

<table>
<thead>
<tr>
<th>SUMMARY</th>
<th>CURRENT</th>
<th>* RENT</th>
<th>MAINTENANCE</th>
<th>COURT</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1/6 WESTERN HEIGHTS</td>
<td>$18,503.43 $</td>
<td>$18,503.43 $</td>
<td>$26,986.86 $</td>
<td>$27,969.03 $</td>
</tr>
<tr>
<td>3-9 AUSTIN HOMES</td>
<td>$8,125.58 $</td>
<td>$8,125.58 $</td>
<td>$738.00 $</td>
<td>$1,454.81 $</td>
</tr>
<tr>
<td>3-7 LOW TOWERS</td>
<td>$9,076.00 $</td>
<td>$9,076.00 $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-8 WALTER P TAYLOR</td>
<td>$2,784.00 $</td>
<td>$2,784.00 $</td>
<td>$- $</td>
<td>$478.95 $</td>
</tr>
<tr>
<td>3-9 DR. LE WILLS</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-10 CAGLE TERRACE</td>
<td>$11,690.88 $</td>
<td>$11,690.88 $</td>
<td>$- $</td>
<td>$2,674.16 $</td>
</tr>
<tr>
<td>3-11 NORTHGATE TERRACE</td>
<td>$13,832.90 $</td>
<td>$13,832.90 $</td>
<td>$128.00 $</td>
<td>$2,946.89 $</td>
</tr>
<tr>
<td>3-12 NORTHGATE CROSSING</td>
<td>$194.00 $</td>
<td>$194.00 $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-13/4 MONTGOMERY VILLAGE</td>
<td>$9,467.76 $</td>
<td>$9,467.76 $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-19 ISABELLA TOWERS</td>
<td>$21,208.15 $</td>
<td>$21,208.15 $</td>
<td>$- $</td>
<td>$15,151.71 $</td>
</tr>
<tr>
<td>3-23 PASSPORT RESIDENCES</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-35 THE VISTA</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-28 THE VENANDAS</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>3-34 THE RESIDENCES AT EASTPORT</td>
<td>$243.00 $</td>
<td>$243.00 $</td>
<td>$- $</td>
<td>$51.02 $</td>
</tr>
<tr>
<td>3-35 VIVE POINTS</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
<td>$- $</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$97,856.49</td>
<td>$36,856.84</td>
<td>$56,843.45</td>
<td>$39,817.95</td>
</tr>
</tbody>
</table>

PERCENTAGES OF EACH CATEGORY TO TOTAL WRITEOFFS

| TO TOTAL WRITEOFFS | 45.37% | 14.21% | 28.37% | 13.83% | 0.31% | 100.00% |

TOTAL NUMBER OF ACCOUNTS | 253 | 175 | 16 | 167 | 143 | 15 | 253 |

AVERAGE WRITE OFF BALANCE BY CATEGORY | $528.00 | $1,916.55 | $348.30 | $285.80 | $30.39 | $852.00 |
## Multifamily Housing Summary

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>* Retro</th>
<th>Maintenance</th>
<th>Court</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>54,492.21</td>
<td>13,224.94</td>
<td>22,960.00</td>
<td>14,137.76</td>
</tr>
<tr>
<td><strong>Total Number of Accounts</strong></td>
<td>32</td>
<td>20</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td><strong>Average Write-Off Amount</strong></td>
<td>1,702.82</td>
<td>661.25</td>
<td>3,260.00</td>
<td>831.63</td>
</tr>
</tbody>
</table>

## Collections on Previous Year End Writeoffs

<table>
<thead>
<tr>
<th></th>
<th><strong>Total</strong></th>
<th><strong>KCDC</strong></th>
<th><strong>Agency</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multifamily Housing</strong></td>
<td>936.12</td>
<td>336.12</td>
<td>600.00</td>
</tr>
</tbody>
</table>

* Represents numerous accounts with fraud (Earned Income Verification)

- Autumn Landing (531) (2 accounts totaling $15,556.00)
- Mechanicsville (385) (2 accounts totaling $5,907.00)
- Valley Oaks (336) (3 accounts totaling $1,456.00)

## Previous Year Write-Offs

<table>
<thead>
<tr>
<th></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 30, 2018</strong></td>
<td>$10,935.66</td>
</tr>
<tr>
<td><strong>June 30, 2017</strong></td>
<td>$29,451.79</td>
</tr>
<tr>
<td><strong>June 30, 2016</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Previous Yrs:** 39,387.45 | 21,601.26 | 5,798.76 | 7,100.92 | 4,886.51 | 0.00 |

## Previous Year Collections

<table>
<thead>
<tr>
<th></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 30, 2018</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>June 30, 2017</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>June 30, 2016</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Previous Yrs:** -

## Summary

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Retro</th>
<th>Maintenance</th>
<th>Court</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>13,224.94</td>
<td>22,960.00</td>
<td>14,137.76</td>
<td>4,167.51</td>
</tr>
</tbody>
</table>

**Percentages of Each Category**

|                      | 24.27% | 42.14% | 25.95% | 7.65% | 0.00% | 100.00% |

**Total Number of Accounts**

|                      | 32 | 20 | 7 | 17 | 20 | 0 | 32 |

**Average Write-Off Balance by Category**

|                      | 661.25 | 3,260.00 | 831.63 | 268.38 | 0.00 | 1,702.82 |
## Section 8 Program Summary

<table>
<thead>
<tr>
<th></th>
<th>Vacancy</th>
<th>Retro</th>
<th>Maintenance</th>
<th>Court</th>
<th>HAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sect. 8 Hsg Voucher, Mod Rehab</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Accounts</td>
<td>37</td>
<td>12</td>
<td>26</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>1,813.45</td>
<td>354.82</td>
<td>2,335.31</td>
<td>342.77</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Collections on Previous Year End Writeoffs

FOR THE YEAR ENDING JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>KCDC</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sect. 8 Hsg Voucher, Mod Rehab</td>
<td>5,021.00</td>
<td>4,328.00</td>
<td>695.00</td>
</tr>
</tbody>
</table>

* Represents numerous accounts with fraud (Earned Income Verification)

11/23/16-Notification from HUD office that OIG not working unless over $25,000
Voucher Program (21 accounts totaling $54,861.32)
Mod Rehab II Program (1 account totaling $551.00)
Mod Rehab III Program (1 account totaling $596.50)
Mod Rehab IV Program (2 accounts totaling $2,365.00)

## Previous Year Write-Offs

<table>
<thead>
<tr>
<th></th>
<th>Sect 8 Voucher</th>
<th>Mod Rehab</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2018</td>
<td>$61,729.00</td>
<td></td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>$73,347.59</td>
<td></td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>$105,408.28</td>
<td></td>
</tr>
<tr>
<td>Total Previous Yrs</td>
<td>240,481.87</td>
<td></td>
</tr>
</tbody>
</table>

## Previous Year Write-Offs

<table>
<thead>
<tr>
<th></th>
<th>Sect 8 Voucher</th>
<th>Mod Rehab</th>
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<tbody>
<tr>
<td>June 30, 2018</td>
<td>$7,105.96</td>
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<tr>
<td>June 30, 2017</td>
<td>$8,517.00</td>
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<td>June 30, 2016</td>
<td>$8,032.36</td>
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<td>Total Previous Yrs</td>
<td>23,655.32</td>
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## SECTION 8 HOUSING VOUCHER, MOD REHAB

<table>
<thead>
<tr>
<th></th>
<th>VACANCY</th>
<th>RETRO</th>
<th>MAINTENANCE</th>
<th>COURT</th>
<th>HAP</th>
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<tbody>
<tr>
<td></td>
<td>LOSS</td>
<td>RENT</td>
<td>CHARGE</td>
<td>COSTS</td>
<td>REIMB</td>
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<td>Total for MR III Program</td>
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<tr>
<td>Total for Mod Rehab Program</td>
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<td>3,521.50</td>
<td>4,456.00</td>
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**TOTAL NUMBER OF ACCOUNTS**

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<td>1,813.46</td>
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**SUMMARY:**

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<th>VACANCY</th>
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<tr>
<td>Mod Rehab Program</td>
<td>4,259.00</td>
<td>3,521.50</td>
<td>4,456.00</td>
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**PREVIOUS YEAR WRITE-OFFS**

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**PREVIOUS YEAR COLLECTIONS**

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<tbody>
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<tr>
<td>June 30, 2017</td>
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<tr>
<td>June 30, 2016</td>
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<tr>
<td><strong>TOTAL PREVIOUS YRS</strong></td>
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