

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: October 19, 2023

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, October 26, 2023, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Motion to add, delete or postpone agenda items.
3. Reports of officers and special presentations.
4. Approval is requested to execute the minutes for the meeting held on September 28, 2023. **(Item 4 Attachment)**

NEW BUSINESS

REDEVELOPMENT (Jim Hatfield)

5. Approval is requested to execute a change order increasing contract C23008 value by an amount not to exceed \$450,000.00. **(Item 5 Attachment)**
6. Approval is requested to negotiate and execute an architectural contract with Shapiro & Company Architects for an amount not to exceed \$900,000.00. **(Item 6 Attachment)**

RENTAL ASSISTANCE (Interim VP Debbie Taylor-Allen)

7. Approval is requested to increase Housing Choice Voucher payment standards and Small Area Fair Market Rents (SAFMR) to 110% of Fair Market Rent. **(Item 7 Attachment)**

Unfinished Business
Public Forum
Adjournment

TENTATIVE

Next agenda review meeting will be held

Thursday, November 30, 2023 @ 5 p.m.

Next board meeting will be held

Thursday, December 7, 2023 @ 5 p.m.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **September 28, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:03 p.m.

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

Absent: Commissioner John Winemiller
Commissioner Kathy Hill

Approval to execute the minutes for the *regular* meeting held on August 31, 2023. **Commissioner McAdoo moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."**

REDEVELOPMENT (Jim Hatfield)

Approval to sell 2430 and 2436 Selma Avenue (082NP006 and 082NP007) to East Tennessee Housing Development Corporation (ETHDC) for the construction of two single-family homes. **Commissioner Broyles moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."**

Resolution authorizing necessary amendments to an existing payment-in-lieu-of-taxes (PILOT) agreement with Ridgebrook Housing I, LLC **Commissioner McAdoo moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-23 is attached.

Resolution approving the amendment to the Liberty Place Knoxville Corporation charter. **Commissioner Henry was recused. Commissioner McAdoo moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-24 is attached.

Final bond resolution authorizing the issuance of an additional \$5,000,000 of bonds to facilitate a development owned by DGA Holson Square LP, a subsidiary of DGA Residential. **Commissioner Henry was recused. Commissioner Broyles moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-25 is attached.

Resolution authorizing the negotiation and execution of a payment-in-lieu-of-tax (PILOT) transaction with Sutherland 1, LP. **Commissioner Harris moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-26 is attached.

Resolution authorizing the negotiation and execution of a payment-in-lieu-of-tax (PILOT) transaction with Sutherland 2, LP. **Commissioner Harris moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-27 is attached.

EXECUTIVE (Ben Bentley)

Resolution approving an amendment to E-181 Grievance Policy of the Policies of the Board of Commissioners. **Commissioner Whetsel moved to approve. Commissioner McAdoo seconded the motion. After discussion with changes, Commissioner Broyles moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."** Resolution No. 2023-28 is attached.

PUBLIC FORUM

None

UNFINISHED BUSINESS

None

ADJOURNMENT

With no further business to come before the Board, the meeting adjourned by consent at 5:26 p.m.

Kimberly K Henry, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 5

MEETING DATE	October 26, 2023
AGENDA ITEM DESCRIPTION	Approval is requested to execute a change order increasing contract value of Contract C23008 by an amount not to exceed \$450,000.00.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ 450,000 Source of Funds: COK Infrastructure Capital
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? A change order is needed due to a change in the design of two retaining walls associated with the infrastructure development at the first phase of the WH CNI. The initial design contemplated all segmental block retaining walls, however, as the housing design advanced, the structural engineer indicated a need to convert to segmental walls to concrete CIP walls due to the integration of the two walls at the community building. The NTE cost for this change order is the incremental cost from segmental to CIP.</p> <p>2. Why is the action needed now? Infrastructure work has already begun and since these retaining walls are part of that scope, the change order needs to be approved now so as to not hold up the contractor.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? KCDC, as owner. East Tennessee Turf and Landscape, as the contractor.</p> <p>4. What are the long-term and short-term exposures? This change order is still able to be accommodated within the project infrastructure budget.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	In August 2023, KCDC board approved the contract with East Tennessee Turf for this project.
ATTACHMENTS	None

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 6

MEETING DATE	October 26, 2023
AGENDA ITEM DESCRIPTION	Approval is requested to negotiate and execute an architectural contract with Shapiro & Company Architects for an amount not to exceed \$900,000.00.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ 900,000 Source of Funds: Pre-development funds; reimbursement at clsg with LIHTC equity
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? KCDC and Brinshore intend to contract with Shapiro and Company Architects to provide architectural design services for phases 2 and 3 of the Western Heights CNI project. The agreement with Shapiro will be based on the AIA B108 form and will cover the full design of the project from concept through 100% CDs including CA services. Shapiro will oversee civil, MEP, structural and landscape design as part of their scope.</p> <p>2. Why is the action needed now? Design needs to begin now in order to meet our funding application deadlines next year and to keep the project as a whole on track.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? KCDC as co-owner with Brinshore Development. No ownership entity has been formed yet so the contract may initially be held with Brinshore as developer before being assigned to the limited partner entity which a KCDC subsidiary will serve as the general partner of.</p> <p>4. What are the long-term and short-term exposures? None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Shapiro has previously designed several projects in Knoxville including Flats at Pond Gap, Southside Flats, and Young High Flats.
ATTACHMENTS	None

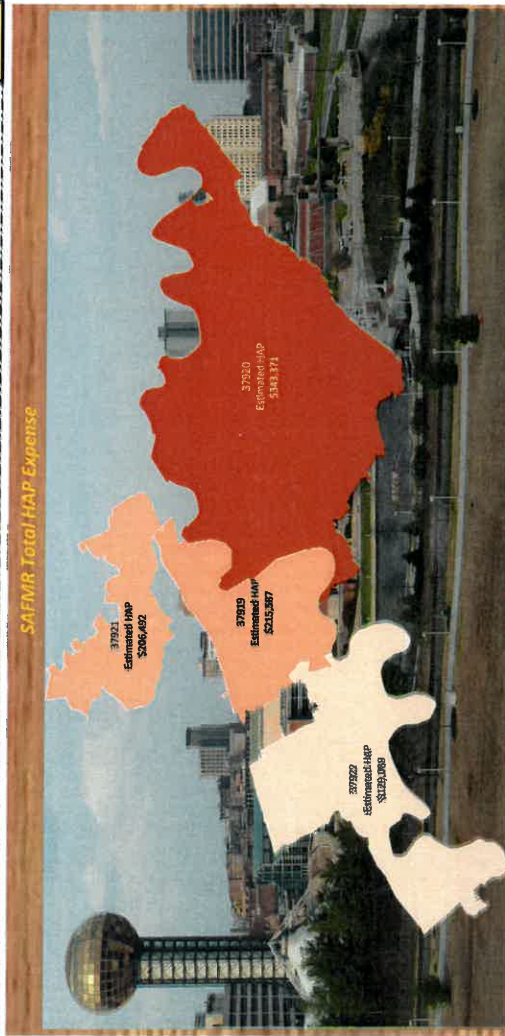
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 7

MEETING DATE	October 26, 2023
AGENDA ITEM DESCRIPTION	Approval is requested to increase Housing Choice Voucher payment standards and Small Area Fair Market Rents (SAFMR) to 110% of Fair Market Rent.
SUBMITTED BY	Name, Title / Department: Debbie Taylor-Allen, Interim VP Rental Assistance
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ _____ Source of Funds: Housing Choice Voucher HAP funds
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? To increase HCV and SAFMR's to 110% of Fair Market Rents to improve leasing in more opportune areas of Knoxville/Knox County and utilize excess HAP reserves.</p> <p>2. Why is the action needed now? If approved, Increase to be effective December 1, 2023</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? Debbie Taylor-Allen, Vice President of Rental Assistance and Section 8 Staff</p> <p>4. What are the long-term and short-term exposures? Increased Administrative dollars as tenants find units and lease. More leases equal more Administrative funds. Use of NRA (HAP reserves) to avoid recapture.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	
ATTACHMENTS	Spreadsheet showing increase in payment standards and effects on NRA

**Data in Report Represents October 1, 2023
Leased Units (Excluding MR4,MSV,EHV)**

FY 2023 and 2024 FMR Voucher Payment Standard Comparison									
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom	Six-Bedroom		
FY 2023 FMR	887	952	1,156	1,507	1,773	2,038	2,304		
FY 2024 FMR	985	1,000	1,221	1,578	1,833	2,107	2,382		
FY2024 FMR Payment Standard									
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom	Six-Bedroom	Estimated HAP	Percentage
FY2024 PS	1,083	1,100	1,343	1,735	2,016	2,317	2,620	1,297,454	110%
SAFMR FY2024 Payment Standard									
Zip Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom	Six-Bedroom	Estimated HAP	Percentage
37919	1,199	1,221	1,485	1,914	2,233	2,567	2,902	215,587	110%
37920	935	946	1,155	1,496	1,760	2,024	2,288	343,371	110%
37921	1,166	1,177	1,441	1,859	2,167	2,491	2,817	206,492	110%
37922	1,551	1,573	1,925	2,486	2,893	3,326	3,760	129,089	110%



SAFMRs			
37919	Occupied Count	Est HAP	
Efficiency	0	-	
One-Bedroom	68	43,175	
Two-Bedroom	112	86,486	
Three-Bedroom	84	83,604	
Four-Bedroom	2	2,322	
Five-Bedroom	0	-	
Six-Bedroom	0	-	
Average Subsidy @ 52%	266	215,587	
Average Subsidy @ 52%		52%	
37920	Occupied Count	Est HAP	
Efficiency	14	7,985	
One-Bedroom	70	40,394	
Two-Bedroom	203	143,024	
Three-Bedroom	145	132,321	
Four-Bedroom	16	17,178	
Five-Bedroom	2	2,469	
Six-Bedroom	0	-	
Average Subsidy @ 61%	450	343,371	
Average Subsidy @ 61%		61%	
37921	Occupied Count	Est HAP	
Efficiency	1	571	
One-Bedroom	80	46,138	
Two-Bedroom	59	41,659	
Three-Bedroom	95	86,536	
Four-Bedroom	24	25,484	
Five-Bedroom	5	6,103	
Six-Bedroom	0	-	
Average Subsidy @ 49%	264	206,492	
Average Subsidy @ 49%		49%	
37922	Occupied Count	Est HAP	
Efficiency	0	-	
One-Bedroom	24	21,141	
Two-Bedroom	64	68,992	
Three-Bedroom	21	29,235	
Four-Bedroom	6	9,720	
Five-Bedroom	0	-	
Six-Bedroom	0	-	
Average Subsidy @ 56%	115	129,089	
Average Subsidy @ 56%		56%	

FMRs		
FMR Units	Occupied Count	Est HAP
Efficiency	31	15,108
One-Bedroom	389	197,555
Two-Bedroom	825	489,589
Three-Bedroom	602	470,012
Four-Bedroom	111	100,699
Five-Bedroom	14	14,597
Six-Bedroom	5	5,895
Average Subsidy @ 45%		1,297,454
Average Subsidy @ 45%		45%
SAFMRs		
Occupied Units	Est HAP Total	
SAFMRs	1095	894,538.96
FMRs	1977	1,297,454.40
Total	3072	2,191,993.36
FY2024 Estimate: Annual ABA (Annual Budget Authority)		
FY2024 HAP Estimate		24,020,381.00
Monthly HAP based on ABA		
HAP Expense Based on User Input	2,001,698.42	
Difference (per mo.)	(190,796.94)	2,191,993.36
HUD Held Reserves (06/30/2023)		
Difference if Negative (per yr.)		6,536,112.00
Potential Change in HHR		(9,283,539.32)
		4,252,572.68

User Interface_Payment Standard Calculator

- An entry here by the user can increase the payment standard for all *FMR* and individual *SAFMR* zip codes.

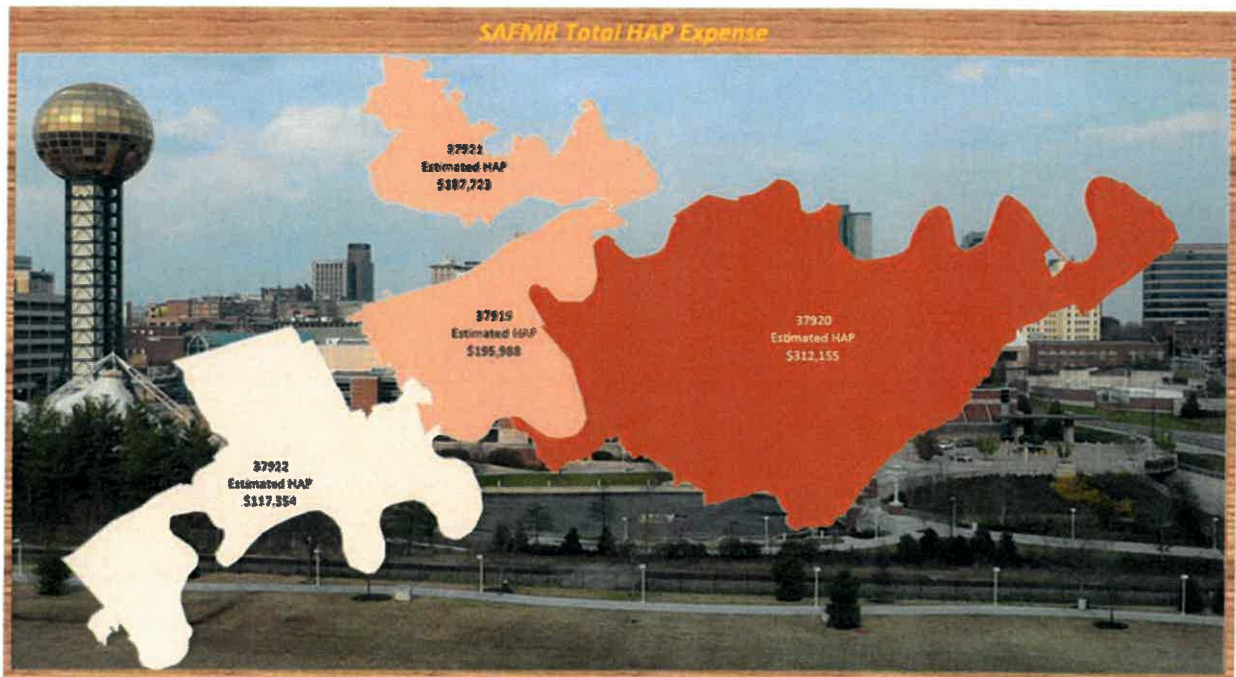
Estimated HAP	Percentage
1179759	100%
195988	100%
332155	100%
187723	100%
117354	100%

Increasing the percentage (i.e., ^105%) will increase the payment standard for that specific area and give an estimated HAP expense amount based on the average subsidy for that category.

**Average subsidy can be adjusted as well (discussed later).*

SAFMR		
37919	Count	HAP
Efficiency	0	0
One-Bedroom	68	39249.6
Two-Bedroom	112	78624
Three-Bedroom	84	76003.2
Four-Bedroom	2	2111.2
Five-Bedroom	0	0
Six-Bedroom	0	0
Average Subsidy @ 52%	266	195,988
52%		

- The map located on the first tab, "*Payment Standard Calculator*", shows the 4 *SAFMR* zip codes and the Total estimated HAP expense based on the users input as referred to above (the "*Estimated HAP*" amount will change on the map).



User Interface_Payment Standard Calculator

- There is also a breakout of bedroom sizes for the *FMR/SAFMR* zip codes that are affected by **2 user inputs**:

1. Payment Standard "Percentage": Increasing this percentage from 100% (of the estimated FY2024 payment standard) will also increase the total hap expense for a specific *SAFMR* or the *FMR* zip codes.

FY2024 FMR Payment Standard									Percentage
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom	Six-Bedroom	Estimated HAP		
FY2024 FMR	985	1000	1221	1578	1833	2107	2382	317,975.9	100%

SAFMR FY2024 Payment Standard									Percentage
Zip Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom	Six-Bedroom	Estimated HAP	
37919	1090	1110	1350	1740	2030	2335	2639	195,988	100%
37920	850	860	1030	1360	1600	1840	2080	38,215.5	100%
37921	1060	1070	1310	1690	1970	2265	2561	217,723	100%
37922	1410	1430	1750	2260	2630	3025	3419	187,354	100%

SAFMRs		
37919	Count	HAP
Efficiency	0	0
One-Bedroom	68	39249.6
Two-Bedroom	112	78624
Three-Bedroom	84	76003.2
Four-Bedroom	2	2111.2
Five-Bedroom	0	0
Six-Bedroom	0	0
Average Subsidy @ 52%	266	195,988
52%		

2. "Average Subsidy": This is an estimate of the average HAP paid for *FMR* zip codes and all *SAFMR* zip codes. The "Average Subsidy @" is based on current monthly HAP payments (data from tab "Average HAP Per Zip Code".

*Changing this will allocate a larger/smaller percentage of HAP to these specific areas.

	Units	Total
SAFMRs	1095	813,219.58
FMRs	1977	1,179,759.15
Total	3072	1,992,978.73

← Total Occupied Units & Estimated HAP
(*Totals change based on user input)

FY2024 Estimate: Annual ABA (Annual Budget Authority) 24,020,581.00

← Estimate of the FY2024 Budget
(*Fixed Amount)

FY2024 HAP Estimate		HAP Based on FMR & SAFMR Adj
Monthly HAP based on ABA	2,001,698.42	
HAP Expense Based on User Input		1,992,978.73
Difference		8,719.69

← This represents the estimated monthly HAP received less HAP expense based on user percentages. Negative difference will go to HHR (below)

HHR Held Reserves (06/30/2023)	6,536,112.00
Difference if Negative	Less than ABA
Potential Change in HHR	-

← If difference is negative it will be subtracted from HHR and display change in HHR amount.

- **Tabs 2 through 6 contain the data for the first two tabs.**

LIBERTY PLACE KNOXVILLE CORPORATION

Date: October 19, 2023

To: Board of Directors

From: Nancy White, Secretary/Treasurer

Subject: **SPECIAL AGENDA**
Special Meeting of the Board of Directors
Thursday, October 26, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the *special* meeting held on August 31, 2023. [\(Item 2 Attachment\)](#)

REDEVELOPMENT (Jim Hatfield)

3. Approval is requested to execute a change order increasing contract C23005 value by an amount not to exceed \$250,000.00 associated with the incorporation of solar panels. [\(Item 3 Attachment\)](#)
4. Adjourn

LIBERTY PLACE KNOXVILLE CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Liberty Place Knoxville Corporation met on **August 31, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:30 p.m. Those Directors present and absent were:

Present: Director Kimberly Henry
Director Scott Broyles
Director Felix Harris

Absent:

Approval to execute the minutes for the *special* meeting held on June 29, 2023. Director Broyles made a motion to approve. Director Harris seconded the motion. All Directors present voted "Aye."

REDEVELOPMENT (Jim Hatfield)

Resolution approving an amendment to the Charter. Director Broyles made the motion to approve. Director Harris seconded the motion and all Directors present voted "Aye." Resolution No. 2023-02 is attached.

With no further business to come before the Board, the meeting adjourned by consent at 5:33 p.m.

Benjamin M Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

LIBERTY PLACE KNOXVILLE CORPORATION

BOARD ACTION FORM

MEETING DATE	October 26, 2023
AGENDA ITEM DESCRIPTION	Approval is requested to execute a change order increasing contract value of Contract C23005 by an amount not to exceed \$250,000.00. Change order associated with the incorporation of solar panels on the Liberty Place project.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President, Redevelopment
MEETING TYPE	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ 250,000 ✓ Source of Funds: Project debt and equity
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>A change order is needed in order to allow the incorporation of the solar panel installer to become a subcontractor under the general contractor. Solar has been assumed on this project and the cost of the solar panels is included within the project budget. However, we need to formally incorporate the installer into the project as a sub contractor under the GC.</p>	
<p>2. Why is the action needed now?</p> <p>Construction began in August and we are now prepared to move forward with the solar component for this project and would like to get them incorporated into the project scope to lock in the scope and cost now in order to avoid additional cost increases and material delays.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>Liberty Place Knoxville Corporation as general partner of the the project owner entity, Liberty Place Knoxville LP. Solar Alliance as the solar installer and Jenkins and Stiles as the contractor.</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None. This cost and scope have been assumed to be part of the project. This is the formal step to contractual incorporate it into the project.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	In July 2023, Liberty Place Corporation board approved the contract with Jenkins and Stiles and the project began construction in August 2023.
ATTACHMENTS	None