

Board Members:

Charley Bible
Shannon Coleman Egle
Tiffany Gardner
Bill Fox
Terry Henley
J. Ford Little
Lou Moran, III
Alvin Nance
Lisa Rottmann
Janet Testerman
L. Anthony Wise, Jr.



The Health, Educational and Housing Facility Board of the County of Knox

Regular Meeting
Tuesday, December 10, 2024, 4:15 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- ACTION** II. Approval of Minutes from Previous Meeting
 - a) Regular Meeting – November 12, 2024
- ACTION** III. Review and Consideration of a Preliminary Bond Resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox related to the issuance of revenue bonds for Everett Pointe, L.P. in a principal amount not to exceed \$26,000,000 to finance the construction and equipping of an approximately 100-unit housing facility for low and moderate-income citizens to be known as Everett Pointe and located at 0 Everett Road in Knox County
- III. Old Business
- IV. New Business
- V. Adjourn

**MINUTES OF THE REGULAR MEETING OF
HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF THE COUNTY OF
KNOX**

November 12, 2024, 4:15 p.m.

The regular meeting of the Board of Directors of Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, November 12, 2024 at 4:15 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

The following Directors were present at the meeting, Tiffany Gardner (Chair), Lou Moran, III (Vice Chair), Dr. Anthony Wise (Secretary), Shannon Coleman Egle, Terry Henley, and Dr. William (“Bill”) Fox.

Also, in attendance were Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), Joshua Ford (Knoxville Chamber), Samuel C. Louderback (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Herbert H. Slatery (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Jordan T. Newport (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Katrina Vargas (Paralegal – Egerton, McAfee, Armistead & Davis, P.C.), and Emily Moran Whaley (Public Observer).

I. Tiffany Gardner, the Board’s Chair, called the Health, Ed Board meeting to order. The Agenda of the Health, Ed Board meeting is attached hereto as Exhibit A.

The Health, Ed Board then discussed the following matters and took the following actions as noted:

II. Review/Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the Minutes of the regular meeting held on October 15, 2024.

Upon a motion by Shannon Coleman Egle, and a second by Bill Fox, the Minutes of the October 15, 2024 meeting were unanimously approved. A copy of the Minutes is attached hereto as Exhibit B.

III. Review and Consideration of Proposed Meeting Dates for Calendar Year 2025. The Chair recognized Mac McWhorter who addressed the Board regarding the proposed 2025 meeting dates.

Upon a motion by Anthony Wise and a second by Lou Moran, the Board unanimously approved the 2025 meeting schedule. A copy of the 2025 meeting schedule is attached hereto as Exhibit C.

IV. Old Business.

(a) Report on Debt Obligation (CT-0253) for \$28,000,000.00 Collateralized Multifamily Housing Bonds, Series 2024 (The Pines Apartments Project).

V. New Business. None.

VI. Next Meeting. The next regular meeting of The Health, Ed Board of the County of Knox is scheduled for December 10, 2024, at 4:00 p.m. at the offices of the Knoxville Chamber located at 17 Market Square, #201, Knoxville, Tennessee.

VII. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 4:35 p.m.

Dated

L. Anthony Wise, Jr., Secretary

DRAFT

EXHIBITS

Exhibit A Agenda – November 12, 2024

Exhibit B Minutes – October 15, 2024

Exhibit C 2025 Meeting Dates

DRAFT

PRELIMINARY BOND RESOLUTION

WHEREAS, Everett Pointe, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, construction and equipping of an approximately 100-unit housing facility for low and moderate-income citizens to be known as Everett Pointe located at 0 Everett Road (Tax Parcel ID: Map 141, Parcel 038) in Knoxville, Tennessee, and wishes to have The Health, Educational and Housing Facility Board of the County of Knox (the "Board") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 48-101-301; and

WHEREAS, a letter of intent has been presented to the Board under the terms of which the Board agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$26,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY The Health, Educational and Housing Facility Board of the County of Knox as follows:

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

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

3. The Chair, Vice Chair or legal counsel of the Board is hereby authorized to conduct such public hearings on behalf of the Board as the Applicant may request with respect to the project.

I hereby certify that the foregoing resolution of The Health, Educational and Housing Facility Board of the County of Knox was duly and lawfully adopted by its Board of Directors on December 10, 2024, at a duly called meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

Executed as of this ___ day of _____, 2024.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

Secretary

December 10, 2024

Everett Pointe, L.P.
Knoxville, Tennessee

Gentlemen:

The Health, Educational and Housing Facility Board of the County of Knox (the "Board") has been informed that Everett Pointe, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, construction and equipping of an approximate 100-unit housing facility for low and moderate-income citizens known as Everett Pointe located at 0 Everett Road (Tax Parcel ID: Map 141, Parcel 038) in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 48-101-301.

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

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

1. The Board will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$26,000,000 to provide financing for the project. The Bonds shall be limited obligations of the Board payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of the Board, its directors, or Knox County, Tennessee.
2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among the Board and the Applicant, subject to compliance with all applicable state and federal requirements, and all bylaws and policies of the Board.
3. Prior to delivery of the Bonds, the Board and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.
4. The Board will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of the Board and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by the Board, the Applicant and the purchaser of the Bonds.
5. The Board hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit

from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

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

7. If for any reason the Bonds have not been sold within eighteen (18) months from the date hereof, the provisions of this proposal and the agreement resulting from the acceptance by the Applicant shall, at the option of either party to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third party shall have any rights against either party except:

- (a) The Applicant will pay the Board for all expenses incurred by the Board in connection with the financing of the project;
- (b) The Applicant will pay the out-of-pocket expenses for attorneys for the Board incurred in connection with the project and will pay attorneys for the Board reasonable fees for legal services related to the project; and
- (c) The Applicant will indemnify and hold the Board harmless against any liability which may be incurred by the Board with respect to the project.

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

[Remainder of Page Intentionally Left Blank]

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

Yours very truly,

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

By: _____
Chairman

ACCEPTANCE OF PROPOSAL
OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE COUNTY OF KNOX

BY

EVERETT POINTE, L.P.

The terms and conditions contained in the foregoing proposal by The Health, Educational and Housing Facility Board of the County of Knox are hereby accepted by Everett Pointe, L.P. this ____ day of _____, 2024.

Everett Pointe, L.P.

By: Everett Pointe GP, LLC,
its general partner

By: _____
Title: _____

DATE: November 8, 2024

THE HEALTH, EDUCATION & HOUSING FACILITIES BOARD OF THE COUNTY OF KNOX

17 Market Square, #201
Knoxville, TN 37902-1405

The Board meets monthly on the second Tuesday at 4:15 p.m. in the offices of The Development Corporation located at 17 Market Square, #201, Knoxville, TN 37902-1405.

PROJECT APPLICATION

PROJECT NAME: Everett Pointe

LOCATION: Lot 38 Everett Road Knoxville, Tennessee 37933

SUBMITTED BY: (If a partnership, applicant should provide the partners' names, addresses, and status, whether limited or general partner.)

Limited Partnership to be formed is Everett Pointe, L.P.; General Partner to be Everett Pointe GP, LLC. Both the Limited Partner and the General Partner will be affiliates of Hopeful Housing, LLC. Address of each is P.O. Box 23038, Knoxville, TN 37933

AUTHORIZATION – AMOUNT ASKING FOR: \$26,000,000

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)

\$ 1,500,000.00	Land
\$ 24,022,734.77	Construction Costs
\$ 8,863,319.38	Professional & Soft Costs
\$ 4,609,063.12	Financing
<u>\$ 750,000.00</u>	<u>Reserves</u>
\$ 39,745,117.26	Total Dev. Costs*

PROCEDURE FOR SALE OF BONDS (Private vs. Public Placement, etc. See also Paragraphs 5 (3) (4) and (5) Very likely public placement – bonds will be cash collateralized and redeemed upon completion of the proposed project

PURCHASER: Likely Raymond James & Associates, Inc. (underwriter and remarketing agent)

GUARANTOR: John Huber

FISCAL AGENT (if selected): Not Applicable

ATTORNEY (if selected): Bond Counsel: Jay Moneyhun with Bass, Berry & Sims PLC

TRUSTEE (if selected): Likely Regions Bank

BRIEF DESCRIPTION OF PROJECT: (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.) The property is located at Lot 38 Everett Road in Knoxville, Tennessee. The applicant plans to construct an approximately 100-unit low income housing apartment facility on the property. The three expected main sources of funding required to complete this transaction will be: (i) proceeds from the sale of private activity multifamily tax exempt bonds allocated by Tennessee Housing Development Agency (THDA) and issued by the Health, Education & Housing Facilities Board, (ii) proceeds from a mortgage loan and (iii) equity proceeds from the investment in limited

partnership interests pursuant to an allocation of 4% Low Income Housing Tax Credits from THDA to the partnership. Full time staffing positions related to the management and maintenance of the facility will be created as part of this development and a number of temporary construction jobs will be created for the duration of the construction period.

FINANCIAL STATEMENTS: If public placement is requested, include with the above: (1) financial summary of past 5 years; (2) current audit; (3) 3-5 year financial projections.

RULES: Compliance with the rules on the following page is the responsibility of Applicant. The Board reserves the right to amend or waiver any Rule without notice.

RULES

1. **Procedure** – The Project Application must be filed with the Secretary of the Board fourteen days prior to meeting so that copies can be mailed to all Board Members and counsel to the Board one week prior to Board meeting.
 - (1) If a TEFRA hearing is requested, the completed TEFRA form and Application **MUST BE RECEIVED** by the Secretary not less than 20 days prior to the meeting.
 - (2) If no TEFRA hearing is requested, the Application **MUST BE RECEIVED** by the Secretary not less than 14 days prior to the meeting.

2. **Fee Schedule** – Appropriate fees must be submitted with the request:

Projects and Bond Issues: The Industrial Development Board of the County of Knox and The Health, Educational and Housing Facility Board of the County of Knox

Agenda Fee: \$500. This fee is assessed on matters considered by the Board of Directors at a regular meeting of the Directors. It is not assessed if (i) the Applicant has paid a Project Fee and (ii) the action requested is related to the same Project or Bond Issue for which the Project Fee was paid. If an Applicant requests further action related to an outstanding Bond Issue, the Agenda Fee will be due and payable.

Project Fee: 10 basis points (0.10%) of the Total Project/Bond Issue with a minimum of \$2,000 and a maximum of \$4,000.

Special Meeting Fee: \$5,000 per Applicant.

Interlocal Agreement Fee: \$1,000 per Applicant.

All fees are due and payable fourteen days before the meeting and should be payable to the applicable Board and delivered to the Board at its office located at 17 Market Square, #201, Knoxville, TN 37902-1405.

3. **Housing** – For housing and similar issues, the Board will require a feasibility study to be filed with the original application or for consideration at a regular meeting not less than one month prior to final approval. If consideration is at a regular meeting, the study must be mailed to members and counsel not less than 10 days prior to the meeting.

4. **Refinancing** – Generally, except for manufacturing or regional warehouse facilities, the Board requires that in any refinancing of existing debt, 25% of the bond proceeds be used for new construction or renovations.

5. **General**

- (1) Projects are approved and extended for 6 month periods.
- (2) Regardless of property ownership, applicants will be required to pay all property taxes as if owned by the applicant.
- (3) In the event applicant requests approval of a public placement, he should clearly designate such request on the application and should be prepared to provide reasons therefore at the appropriate Board meeting. A rating of AA or better will normally be required.
- (4) Unless otherwise designated, the Board will consider all requests for new issues to be request for private placements. Private placements shall mean that the bonds may not be sold, transferred or assigned by the holder thereof except (1) to an institutional investor and then only for the investment account of such institutional investor, or (2) an individual investor and then only for the account of such individual investor. For this purpose, an institutional investor shall mean a bank, savings and loan association, insurance company, or other financial institution having a combined capital and surplus of not less than \$5,000,000. For this purpose, an individual investor shall mean one whose net worth is certified to be not less than \$1,000,000. Bonds, notes and other documents shall bear an appropriate legend to reflect these restrictions. As a substitute for this, the Board will consider restrictions limiting the minimum bond size to \$100,000.
- (5) In the event that the Board approves a public issue, it will not execute in connection therewith official statements or similar documents deemed by counsel to create unacceptable obligations.
- (6) Documents to be executed by the Board will include the following or similar paragraph:

No recourse under or upon any obligation, covenant, or agreement or in any Bond or coupon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator member, director or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon issue, of any sum that may be due and unpaid by the Issuer upon any such Bond or coupon. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such to respond by reason of any act or omission on his part or otherwise for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon, of any sum that may remain due and unpaid upon the Bonds and coupons or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such bonds and coupons.

The County of Knox, Tennessee, shall not in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the Issuer, and none of the Bonds of the Issuer issued or any of its agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the County of Knox, Tennessee, within the meaning of any constitutional or statutory provision whatsoever.