Request for Proposals

Short Term Credit Facility

KCDC
Knoxville's Community Development Corporation

Solicitation Name / Number

Short Term Credit Facility Q2517

Upload Responses By

April 21, 2025 by 2 PM Eastern

Click here To Upload Responses

- All proposals must be submitted through the Vendor Registry platform as ONE document.
- When uploading proposals, be sure to upload all required documents.
- Proposals delivered by email, fax, USPS or in person **WILL be rejected**.

Questions About this Solicitation?

- **Deadline:** April 9, 2025 by 5 PM Eastern
- Email questions to Lauren Lowe and Marcie Lewis at Lowel@pfm.com and Lewism@pfm.com and KCDC procurement at procurementinfo@kcdc.org.

Pre-Proposal Meeting

- None scheduled

Solicitation Opening

- Proposal information is not public until completion of the proposal process.

Results of Solicitation

- KCDC will contact applicants with whom further discussion is warranted based upon proposals submitted.

Open Records / Public Access to Documents

- All documents provided to KCDC are subject to the Tennessee Open Meetings Act (TCA 8-44-101) and open records requirements upon completion of the proposal process..

Information about the Desired Services

A. Background and Intent

1. Knoxville's Community Development Corporation ("KCDC") is the public housing and redevelopment authority for the City of Knoxville (the "City") Knox County, Tennessee. KCDC's affordable housing portfolio includes more than 26 properties with approximately 3,600 dwelling units. In addition to operating public housing units, KCDC oversees approximately 4,097 Section 8 Vouchers and 76 Moderate Rehabilitation units. Additionally, as the redevelopment authority for the City of Knoxville, KCDC oversees redevelopment projects in the City and administers tax increment financing (TIFs) pursuant to redevelopment plans approved by the City and County and payments in lieu of taxes (PILOTs) for various housing and other projects.

2. Definition/Clarification: KCDC uses "firm" as inclusive of various words describing interested parties.

3. A substantial portion of KCDC's funding for housing and redevelopment projects is derived from local, state and federal grants. In administering its various programs and projects, KCDC is often required to advance funds which are subject to reimbursement from grants or other funding sources. As an alternative to relying on its own cash reserves to fund expenditures that are subject to reimbursement from grants or other funds, KCDC is seeking a short-term financing program to provide proceeds to support those requirements until reimbursement is received. Several of the programs and projects in which KCDC will be using the funds provided from the short-term facility are described in Appendix A. KCDC could participate in other programs in which it will need short-term funding supplied by this facility.

4. It is also KCDC's desire to secure the facility in a way that does not overly commit its available resources or restrict KCDC's ability to continue its mission. The majority of KCDC's funding sources are restricted by the U.S. Department of Housing and Urban Development ("HUD") or other similar programs and cannot be pledged as security to this, or any credit facility.

5. This Request for Proposal ("RFP") constitutes an invitation to submit an official response to this inquiry. One firm can submit multiple proposals as described below.

6. It is understood that KCDC will evaluate any response received and responses may be used as a basis for direct negotiation of the cost and terms of a credit facility between KCDC and the firm submitting the response. KCDC reserves the right to determine, in its sole and absolute discretion, whether any aspect of the response satisfactorily meets the criteria established in this RFP, the right to seek clarification from any firm submitting a response, the right to reject any or all responses with or without cause, and the right to cancel and/or amend, in part or entirely, the RFP. However, KCDC does not commit to award a contract, or to pay for any costs incurred in the preparation of a response. KCDC is under no obligation to

proceed with negotiations with any of the firms that submit a response as part of this RFP process. KCDC may decide to pursue an alternative course of action once the responses have been reviewed and reserves the right to enter additional negotiations that it deems to be in its best interest.

B. KCDC Main Programs

- Public Housing: consists of apartments and single-family dwellings owned and operated by KCDC. Funding is provided by tenant rent payments and subsidies provided by HUD. **Revenues are restricted.**
- Section 8 Housing Choice Voucher Program: housing program wherein approved tenants lease housing units directly from private landlords rather than through KCDC. KCDC contracts with these private landlords to make rental assistance payments on behalf of the tenants for the difference between the approved contract rent and the actual rent paid by the low rent tenants. **Revenues are restricted.**
- Section 8 Project-Based Rental Assistance Program: housing program pursuant to which KCDC provides project-based aid to low- and very low-income families through the provision of housing assistance payments to participating project owners on behalf of eligible tenants. **Revenues are restricted.**
- Development/Redevelopment Projects: KCDC administers internal projects, Community Development Block Grants ("CDBG"), and other projects for the City of Knoxville, Knox County, and the Metropolitan Knoxville Airport Authority. ***(Refer to Appendix A for more information)***
- Public Housing Capital Fund Programs: programs for the modernization, demolition, and redevelopment of public housing funded by HUD. **Revenues are restricted**
- The Manor: a program whereby KCDC provides meals, laundry service, and has twenty-four-hour staff available for the special needs of the more dependent elderly tenants. This service is provided to those tenants for a fee. **Revenues are restricted.**
- Entrepreneurial Activities: a program which provides technical assistance to other PHA's and local governments. **Revenues are unrestricted**
- Central Office Cost Center: a business unit within KCDC that earns income from internal fees by overseeing other KCDC programs. **Revenues are restricted.**
- Other Programs/Activities include KCDC's Family Self-Sufficiency program and programs related to the management of COVID-19 related grants from FEMA and HUD. **Revenues are restricted.**
- KCDC became a Moving to Work ("MTW") agency during the year ended June 30, 2024. Designation by HUD as a MTW agency provides funding flexibility. KCDC received HUD approval of its funding flexibility plan during the year and did not utilize its approved funding flexibility for the year then ended. **Revenues are restricted.**

C. Requested Services (referred to herein as Solicitation Document B)

KCDC is seeking term sheets for a short-term financing vehicle (the "Financing") to provide interim funding for various KCDC related programs and projects as described above and in Appendix B or similar programs as may be entered into for KCDC to continue its mission. The total anticipated size of the Financing is to be determined and KCDC is requesting options that provide the most financial flexibility.

KCDC's programs and projects, as described in Appendix A, include various projects and associated funding sources. KCDC requires financing that provides flexibility to cover a variety of project related costs, including but not limited to construction costs, predevelopment costs and other costs that must be advanced by KCDC and which are reimbursable from grants and other funding sources that have not yet been received. KCDC is expected to float program and project costs while awaiting reimbursement – which can be a few days or months.

The following terms are to be utilized when providing a term sheet(s) with lending options:

1. KCDC is considering all its financing options. Responses may indicate multiple financing vehicles your firm believes would serve KCDC's short-term financing needs regarding flexibility, cost, and limiting KCDC's risks. Please note that you will need to provide information regarding pricing and material terms and conditions related to each financing vehicle proposed (Solicitation Document D).

    a. It is anticipated that a "revolving" credit facility would be a taxable obligation, and a non-revolving facility would be tax-exempt. KCDC will consider the use of taxable and tax-exempt Financings and a combination thereof.

2. Describe, in detail, the proposed financing vehicle or vehicles you are proposing KCDC utilize, including a discussion of flexibility, frequency of issuance allowed, ability to roll or extend the financing, risk considerations, liquidity requirements, pricing methodology, and any other details pertinent to your firm's response.

3. Present a detailed term sheet summarizing all material covenants and/or requirements that you would like to include in the agreement into which KCDC would enter with your firm. Please note that Bass, Berry, & Sims, KCDC's bond counsel, will ultimately draft the agreement and all related documents.

D. Qualifications

1. Describe your firm's ability to provide various short-term financing options, especially those options presented in your firm's response.

2. Please provide a case study on similar short-term financing products.

3. Disclose any conflicts of interest or potential conflicts of interest that might arise because of your firm being selected as the provider of this Financing.

4. Identify fully any ongoing or recently (within the past 3 years) settled litigation involving your firm's activities relating to the provision of liquidity facilities or other short-term financing alternatives.

5. Provide at least ***three*** (3) professional references as similar as possible to this work.

6. Identify the professionals to be assigned to KCDC's service and identify the experience of those professionals

E. Financing Details, Fees, and Expenses (Appendix A)

1. Using Appendix A, indicate your fees and expenses for the proposed financing vehicle(s). Please itemize each component of your proposed fees, including a detailed list of expenses. Fee quotes should specify:

    a. Annual Fee, if applicable

    b. Any upfront fee (bank fee, commitment fee, etc.), other than the fee proposed in "a" above, due at closing, if applicable.

    c. Draw fee if applicable, and a brief description of what constitutes a draw fee.

    d. Date of expiration

2. Please provide the name of the legal counsel that would represent your firm if selected. Please note that Bass, Berry & Sims is serving as bond counsel to KCDC.

3. Please identify the amount of time required to obtain credit approval upon selection as the provider to the Authority. If credit approval has been obtained, please note accordingly.

F. Evaluation

1. KCDC will evaluate proposals based on the terms that are most advantageous to KCDC.

2. KCDC reserves the right to request additional information to assist in the evaluation process including references and business ability information.

3. KCDC will review all submittals and reserves the right to request necessary modifications, waive minor technicalities, reject all submittals, reject any submittal that does not meet mandatory requirements(s) or cancel this solicitation, according to KCDC's best interests.

4. KCDC may elect to interview one or more respondents. Those interviews may be in person or by video conference as agreed upon by KCDC and the respondent. Following such interviews, KCDC will select the respondent or respondents that KCDC feels is most qualified to provide services to KCDC. Upon such selection, KCDC will notify that respondent and commence negotiations of an agreement, including terms of compensation, with that respondent. If KCDC is not successful in reaching agreement with that respondent, KCDC may choose to commence negotiations with an alternate respondent.

G. Timeline

KCDC's expected timeline is as follows below. Note that this is simply an estimate provided for the proposer's edification.

Solicitation Issuance	March 31, 2025
Last Day for Questions	April 9, 2025
Responses Due by 2:00 p.m. Eastern	April 21, 2025
Complete Negotiations with Selected Lender	April 22-May 14, 2025
KCDC Board of Commissioners approval	May 29, 2025
Close on short term facility (no later)	May 30, 2025

General Requirements

H. Acceptance

Respondents shall hold their offer firm and subject to acceptance by KCDC for 30 calendar days from the opening date.

I. Anti-Lobbying Agreement

Respondents who submit must sign KCDC's anti-lobbying affidavit (Document B). Respondents shall attest that it has not paid any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.

J. Books and Records

Respondents shall maintain all books, documents, accounting records and other evidence pertaining to the services provided under an agreement and make such materials available at its offices at all reasonable times during the agreement period and for three (3) years from the date of the final payment under an agreement.

K. Changes

KCDC reserves the right to make changes after selection of a proposal upon consultation with the submitting firm.

L. Contact Policy

Only contact KCDC's Procurement Division (procurementinfo@kcdc.org) and PFM Financial Advisors LLC (lowel@pfm.com and lewism@pfm.com) about this solicitation from the issuance of this solicitation until the selection process is complete. The deadline for questions is April 9, 2025. Information obtained from an unauthorized officer, agent, or employee will not affect the risks or obligations assumed by the firm or relieve the firm from fulfilling any of the conditions of the resulting award for this project. Such contact can disqualify the firm from the solicitation process.

M. Approval of Financing

Any financing agreement entered into between the respondent and KCDC is subject to KCDC's Board approval.

N. Expenses

All expenses incurred in the preparation and submission of a response to this solicitation shall be borne by the respondent.

O. Federal Obligations

The federal government is not a party to KCDC's solicitation and is not subject to any obligations or liabilities resulting from any agreement entered into between respondent and KCDC.

P. Governing Law

All the laws of the State of Tennessee and applicable federal laws and regulations governing KCDC. All obligations of the parties are performable in Knox County, Tennessee. The Chancery Court and/or the Circuit Court of Knox County, Tennessee, shall have exclusive and concurrent jurisdiction of any disputes arising hereunder.

Q. Indemnification/Hold Harmless

According to Tennessee state law, KCDC cannot agree to hold respondents harmless nor to indemnify respondents.

R. Knoxville/Knox County Obligations

The City of Knoxville and Knox County are not parties to KCDC's solicitation and are not subject to any obligations or liabilities to any other party arising out of or resulting from any financing agreement entered into between respondent and KCDC.

S. Limitation of Liability

KCDC is not liable for any indirect, incidental, consequential, special or exemplary damages or lost profits, even if KCDC has been advised of the possibility of such damages.

T. Non-Discrimination and Non-Conflict Statement

1. The respondent agrees not to exclude persons on the grounds of handicap, age, race, color, religion, sex or national origin from participation in, or deny benefits to, or otherwise subject to discrimination in the performance of an agreement, or in the employment practices of the respondent.

2. The respondent shall post notice of such non-discrimination and shall post it in a conspicuous place available to all employees and applicants. The respondent covenants that it complies with the Fair Wage and Hour Laws, the National Labor Relations Act and other federal and state employment laws as applicable. The respondent covenants that it does not engage in any illegal employment practices.

3. The respondent covenants that it has no public or private interest and shall not acquire directly or indirectly any interest that would conflict in any manner with the provision of its goods or the performance of its services.

4. The respondent warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of KCDC as wages, compensation or gifts in exchange for acting as an officer, agent, employee, subcontractor or consultant to the respondent in connection with any goods provided or work contemplated or performed relative to an agreement and/or contract.

5. KCDC's policy requires that all its services and activities be administered in conformance with the requirements of Titles VI & VII of the Civil Rights Act of 1964. This extends to the vendors that KCDC awards/contracts with.

What do I turn into KCDC and in what format?

Upload your information *<u>in the order indicated below</u>* as ONE document uploaded as detailed on the cover page.

Document Number	Title
Solicitation Document A	**General Information about the Supplier**
Solicitation Document B	**Qualifications Response Section** **1.** Describe your firm's ability to provide various short-term financing options, especially those options presented in your firm's response. **2.** Please provide a case study on similar short-term financing products. **3.** Disclose any conflicts of interest or potential conflicts of interest that might arise as a result of your firm being selected as the provider of this Financing. **4.** Identify fully any ongoing or recently (within the past 3 years) settled litigation involving your firm's activities relating to the provision of liquidity facilities or other short-term financing alternatives. **5.** Provide at least *<u>three</u>* (3) professional references as similar as possible to this work **6.** Identify the professionals to be assigned to KCDC's service and identify the experience of those professionals
Solicitation Document C	Affidavits Note: Read and sign.
Solicitation Document D	**Cost Proposal** Please provide a separate Cost Proposal if you are proposing more than 1 facility.

This and the preceding pages do not need to be returned to KCDC.

Solicitation Document A	General Information about the Supplier
Note: Complete all cells even if the answer if "Does not apply"	
Sign Your Name in the field to the right	
If completing this document in Adobe, an electronic signature is acceptable to KCDC.	
Your signature indicates you, reviewed Solicitation Package, agree to "KCDC's General Instructions to Suppliers" (www.kcdc.org), the information you provided is accurate and you are authorized to contractually bind the supplier.	
Printed Name and Title	
Legal Corporate Name	
Street Address	
City/State/Zip	
Contact Person (Please Print Clearly)	
Telephone Number	
Cell Number	
Supplier's E-Mail Address (Please Print Clearly)	

Addenda					
Addenda are at www.kcdc.org. Click on "Procurement" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a proposal.					
Acknowledge addenda have been issued by checking below as appropriate:					
None ☐	**1 ☐**	**2 ☐**	**3 ☐**	**4 ☐**	**5 ☐**

Statistical Information (Check a box in each of the next four lines)	
1. This business is at least 51% owned and operated by a woman	**Yes ☐ No ☐**
2. This business qualifies as a small business by the State of Tennessee ***Total gross receipts of not more than $10,000,000 average over a three-year period OR employs no more than 99 persons on a full-time basis***	**Yes ☐ No ☐**
3. This business is at least 51% owned and operated by a veteran	**Yes ☐ No ☐**
4. This business is owned & operated by persons at least 51% of the following ethnic background:	

Asian/Pacific ☐	**Black ☐**	**Hasidic Jew ☐**	**Hispanic ☐**	**Native American ☐**	**White ☐**	**Corporation ☐**

Solicitation Document B	Qualifications Response Section

1. Describe your firm's ability to provide various short-term financing options, especially those options presented in your firm's response.

2. Please provide a case study on similar short-term financing products.

3. Disclose any conflicts of interest or potential conflicts of interest that might arise as a result of your firm being selected as the provider of this Financing.

4. Identify fully any ongoing or recently (within the past 3 years) settled litigation involving your firm's activities relating to the provision of liquidity facilities or other short-term financing alternatives.

5. Provide at least *three* professional references as similar as possible to this work
   Identify the professionals to be assigned to KCDC's service and identify the experience of those professionals

Conflict of Interest

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in any agreement to provide the Financing.

2. No employee, officer or agent of the grantee or sub-grantee will participate in selection of a firm to provide the Financing or in the administration of a resulting financing agreement supported by federal funds if a conflict of interest, real or apparent, is involved. Such a conflict arises when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected to provide the Financing.

3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from suppliers, potential suppliers, or parties to sub-agreements.

4. By submission of this form, the firm is certifying that no conflicts of interest exist.

Eligibility

1. The firm is eligible for public contracts because no convictions, guilty pleas or pleas of nolo contender to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with the State of Tennessee or any political subdivision thereof have occurred.

General

1. Firm fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.

2. Such offer is genuine and is not a sham offer.

Iran Divestment Act

1. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this proposal, each firm and each person signing on behalf of any firm certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each firm is not on the list created pursuant to § 12-12-106.

Accuracy of Electronic Copies

1. If the firm provides electronic copies of the proposal to KCDC, the firm certifies that the information provided on paper and in the electronic format is identical unless specifically noted otherwise.

General

1. Neither the said firm nor any of its officers, partners, owners, agents, representatives, or employees, including this affiant, has in any way colluded conspired, connived or agreed, directly or indirectly, with any other responder, fim or person to submit a collusive or sham offer in connection with the Financing or agreement to provide the Financing for which the attached offer has been submitted or to refrain from making an offer in connection with such Financing or agreement, or collusion or communication or conference with any other supplier, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other supplier, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed Financing or agreement to provide the Financing.

1. The prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, or unlawful agreement on the part of the respondent or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

No Contact/No Advocacy Affidavit

1. After this solicitation is issued, contact initiated by any firm with any KCDC representative concerning this solicitation is prohibited-except for communication with the Procurement Division and PFM. My signature signifies that no unauthorized contact occurred.

1. To ensure the integrity of the review and evaluation process, respondents to this solicitation nor any firm representing them, may not lobby or advocate to KCDC staff or Board members. My signature signifies that no unauthorized advocacy occurred.

Non-Boycott of Israel Affidavit (TCA 12-4-1 et seq.),

1. Each firm certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each firm is not boycotting Israel pursuant to § 12-4-1 and will not during the term of any agreement to provide Financing to KCDC. Applicable to firms with 10 or more employees.

The undersigned hereby acknowledges receipt of these affidavits and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements. Failure to properly acknowledge issues concerning the above is grounds for proposal rejection and may subject the signer to penalties as directed by the appropriate laws.

Signed By	
Printed Name	
Title	

Solicitation Document D	Cost Proposal

Name of Responding Provider Firm ______________________________

Type of Credit Facility: ______________________________

Point of Contact

Primary Point of Contact Name: ______________________________

Primary Point of Contact Phone: ______________________________

Primary Point of Contact Email: ______________________________

Description of Proposed Credit Facility

Proposed Financing Cost, if applicable

Proposed Facility Cost	2 Year	3 Year	Other
Facility Fee			
Upfront/Commitment Fee			
Closing Costs & Legal Fees			
Proposed Legal Counsel Firm			
Expenses			
Other			

Fee Terms for the proposed Financing, if applicable

Bank Rate	%
Bank Rate (After ___ Days)	%
Bank Rate (After ___ Days)	%
Bank Rate (After ___ Days)	%
Default Rate	%
Term-Loan Period (in Months)	
Draw Fee	
Transfer Fee	
Amendment Fee	

Appendix A

Key Programs and Projects Administered by KCDC That May Require Financing

Prepared for Informational Purposes as of Feb. 28, 2025					
Program / Project	**Description**	**Obligated Amount**	**Drawn to Date**	**Remaining Funds**	**Potential Needs for Financing** ***(does not reflect reimbursement timing)***
City of Knoxville (COK)	Transforming Western Project; 2021: COK committed $26.5M over 6 years @ $4.2M/year	$25,000,000	$8,754,134	$16,245,866	FY25 ~ $0.5M FY26 ~ $7.0M FY27 ~ $2.8M
HUD Choice Neighborhood Grant (CNI)	Transforming Western Project; Multi-Phased Project (refer to FY 24 Audit for additional information); CNI funds are tied to specific phases/projects cannot be transferred among phases; Expiration 9/30/2029 per grant extension	$40,000,000	$6,172,579	$33,827,421	FY25 ~ $0.2M FY26 ~ $4.5M FY27 ~ $2.6M FY28 ~ $5.1M
Five Points Infill	Expires 6/30/2025; estimated to have grant completed by 5/31/2025	$2,076,664	$1,038,332	$1,038,332	
Western Heights Infill	Infill Housing in Western Heights Neighborhood; ARPA funds of $500K- expires 6/30/2026 plus sales proceeds of ~$1M	$500,000	$0	$500,000	FY26 ~ $0.6M FY27~ $0.3M *Includes potential needs related to sale proceeds*
DOT - Reconnecting Grant	Max expiration date 9/30/2031	$42,600,320	$0	$42,600,320	
DOT - Safe Streets Grant	Expires 5 years after date on agreement (pending)	$1,709,400	$0	$1,709,400	
CDBG - COK Federal Grant Funds	For Transforming Western Project community spaces	$1,500,000	$0	$1,500,000	
For More information on the Transforming Western Project: www.transformingwestern.com					