

RESOLUTION NO. _____

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY TO ASSIST WITH THE KINGSPORT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city has asked the Kingsport Housing and Redevelopment Authority (KHRA) to assist in the administration of the Community Development Block Grant (CDBG) Program; and

WHEREAS, KHRA's role will be to assist in management of the program, as it has working knowledge of compliance with the applicable federal regulations and an established relationship with the Department of Housing and Urban Development; and

WHEREAS, the Memorandum of Understanding outlines a cost sharing agreement of 65% (KHRA) and 35% (city) that is funded through the annual allocation of CDBG funding dedicated specifically to administrative costs; and

WHEREAS, the Memorandum of Understanding will begin immediately from the date of execution of the Memorandum of Understanding until June 30, 2027, and it will automatically renew from year to year until either party decides to terminate the Memorandum of Understanding.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That a Memorandum of Understanding with the Kingsport Housing & Redevelopment Authority regarding the Kingsport Community Development Block Grant Program, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Memorandum of Understanding with the Kingsport Housing & Redevelopment Authority regarding the Kingsport Community Development Block Grant Program and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Memorandum of Understanding or this resolution, said Memorandum of Understanding being as follows:

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is hereby made and entered into by and between The City of Kingsport, Tennessee (the "City") and the Kingsport Housing & Redevelopment Authority ("KHRA") (the City or KHRA may hereinafter be referred to singularly as "Party" and collectively referred to as the "Parties").

A. PURPOSE

The Parties intend for KHRA to assist the City in administering Kingsport's Community Development Block Grant Program (the "Program"). The following are understandings and expectations between KHRA and the City about the effects and requirements of administering the Program.

B. UNDERSTANDINGS OF KHRA

KHRA understands that the administrative responsibilities delegated to KHRA would primarily be to assist in managing the funds received by the Program under federal grants for use in the HOME Consortium, Home Repair Program, and other activities as needed or required by the Program.

KHRA understands that Ken Weems, a Planning Manager employed by the City, will serve as the Local Administrator for the Program (the "Local Administrator"), and that KHRA's role will be to assist the Local Administrator in managing the Program. The assistance provided by KHRA will primarily consist of advising the Local Administrator of the best processes and procedures needed to manage the Program and how to effectively spend the grant moneys received by the Program to achieve the Program's goals. As a natural subset of its administrative role, KHRA will also provide advice, to the best of KHRA's ability, to help ensure that the Program remain in compliance with applicable federal HUD regulations.

C. UNDERSTANDINGS OF THE CITY

The City understands and agrees that in exchange for the administrative responsibilities provided by KHRA, KHRA will receive sixty five percent (65%) of the maximum administrative fee allowed pursuant to Program regulations. The City shall retain the remaining thirty five percent (35%) of the administrative fee. KHRA shall pay its overhead and ordinary out of pocket expenses related to its administrative and advisory role from its portion of the administrative fee. However, extraordinary out of pocket expenses may be paid from other Program funds upon agreement of the City and KHRA and as permitted by Program guidelines. KHRA's portion of the administrative fee will be invoiced by KHRA to the City no more frequently than quarterly and shall be paid by the City to KHRA within 60 days of its receipt or upon such other schedule as required by Program regulations.

D. ORIGINAL TERM, RENEWAL, AMENDMENT AND TERMINATION

The Parties agree that they will immediately begin performance under this Memorandum from the date of execution until June 30, 2027 (the "Original Term"). Upon the expiration of the Original Term (and each subsequent term), this Memorandum will be automatically renewed from year to year. This Memorandum may be amended in writing signed by City and KHRA as necessary to clarify future responsibilities and expectations for each party. At any time, either Party may terminate the understandings and agreements contained within this Memorandum, with or without cause, upon 30 days written notice to the other Party.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the Memorandum of Understanding set out herein that do not substantially alter the material provisions of the Memorandum of Understanding, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 4th day of August, 2026.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney