



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD

**City of Chattanooga, Tennessee
MONTHLY MEETING MINUTES**

**John P. Franklin, Sr. Council Building
J.B. Collins Conference Room**

**1000 Lindsay Street
Chattanooga, TN 37402**

for

**Monday, February 16, 2026
12:30 PM**

Present Board Members: Hicks Armor (Chair); Hank Wells (Secretary); Andrea Smith; Tom Hirsch; and Jonathan Mason. Absent were Richard Johnson (Vice-Chair); Brian Erwin; Malcolm Harris; and Kanika Wellington-Jones.

Also present were Phillip A. Noblett (Counsel to the Board); Megan Miles (Housing); Betsy McCright (Chattanooga Housing Authority); Alex Samber (Bass, Berry & Sims); Steve Barrett (Husch Blackwell); Jacki Madding; Richard Beeland (Economic Development); Jim Grauley (Columbia Residential); and Janice Gooden (Riverside Area).



Chairman Armor confirmed that the meeting was properly advertised, and there is a quorum present to conduct business.



**MINUTES APPROVAL FOR THE NOVEMBER 17, 2025,
MONTHLY MEETING**

On motion of Mr. Hank Wells, seconded by Ms. Andrea Smith, the November 17, 2025, minutes for the monthly meeting were unanimously approved as written. The motion carried.



PUBLIC COMMENTS

Ms. Janice Gooden has some comments. The first is about the eviction prevention. This first came into play during COVID, but there is still a need. Ms. Gooden appreciates that funding is going to continue and is in support of that.

RESOLUTIONS

On motion of Mr. Mason, seconded by Mr. Hirsch,

TEFRA HEARING – One Westside Phase 3B, LP Bond Issuance

A RESOLUTION OF THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE RELATING TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR AN AMOUNT NOT EXCEEDING \$12 MILLION TO PROVIDE FINANCING TO ONE WESTSIDE PHASE 3B, LP FOR THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF A MULTIFAMILY HOUSING FACILITY FOR LOW AND MODERATE-INCOME CITIZENS TO BE LOCATED AT 1301 BOYNTON DRIVE, CHATTANOOGA, TENNESSEE. (HEB-2026-01)

Attorney Phil Noblett said that this is an opportunity for the public to be aware of what is going on with this particular project. A TEFRA hearing is required by the federal government any time that there is an issuance of multifamily and revenue housing bonds. In this case, it is up to \$12 million for the One Westside Phase. There is a minor change with the number. There is going to be 104 instead of 102 units. They will have the opportunity to be able to present what this multifamily housing unit will be like at Westside Phase 3B LP. This is only for low to moderate income citizens.

Mr. Jim Grauley spoke from Columbia Residential. We are the partners with the Chattanooga Housing Authority in the One Westside redevelopment. Also here is our counsel. Mr. Grauley wanted to thank the Board because they have been instrumental in prior phases in allowing this project to get started to get well underway. There is a lot of momentum. As you may recall perhaps there are a lot of phases and they come fairly fast. We are usually here requesting inducement a little more than a year ahead of when we actually plan to start construction but the inducement that we are requesting will allow us to apply to the Tennessee Housing Development Authority for tax-exempt bonds which will also provide low-income housing tax credits to allow the 104 units to get built.

There is contemplated with the Choice Neighborhoods Grant that Chattanooga received from HUD, there is a total of seven phases. We are about to embark on the third. One is under construction on West 12th Street. You can see it from Hwy. 27. Secondly, we actually closed the bonds late last year and we are working towards closing in a couple of weeks. It is up on the hill on Boynton Drive. This is the third phase. The first phase that will occur on the footprint of the College Hill Courts. After the folks have moved out, moving into the new housing or moved where they choose to move, we will work with the Housing Authority, demo the northern portion of College Hill Courts and that is where this will be constructed.

It is a little confusing because of the A's and the B's. The reason is that we are using a pretty unique structure that really is pioneered in Tennessee called twinning which actually has an A component and a B component so we can develop larger phases at once. That is why there is an A and B. The B is the portion that uses the tax-exempt bonds.

One thing you will note is that the amount of the bonds is a lot less than it was in the prior phases, which is the result of the federal legislation that passed in 2025 that changed the calculation of the amount of tax-exempt bonds that an Issuer had to do relative to the project size. It has to do with what is called the 50% test and eligible bases in making sure that the bonds pay at least 50% of the total project cost. The federal legislation changed that to be 25% so therefore those bonds go up further, we are asking for less. If this inducement is granted, we plan on applying to the State of Tennessee in March for the allocation.

We have a great relationship with THDA. They have actually made a set aside for Chattanooga to allow for tax credits and these allocations that are scarce and competitive to build this project. We are on track overall. We always get a lot of questions about relocation. This phase will not be built until people move out of the existing College Hill into new housing which would be finishing late this year and into early 2027. We anticipate that we would close this phase of housing in the second quarter of 2027. It is a ways off but this is the starting point. As with all of the phases, this housing provides about 40% of the units are for relocation for folks moving out of the old 1940 public housing into new housing. It also provides for workforce housing at 60% and 80% of AMI, rents restricted and also provides for market rate housing to get an economic mix and vitality. The City has been a great supporter of this in every step of the way. We are partnering with the City and Housing Authority to execute.

With regard to the twinning, Mr. Grauley said that there are two different sets which are called 9% tax credits which actually is a larger allocation of credits per dollar of expense, than there are with the bonds, there are 4% credits. Since 2020 in particular, costs went way up. As much as 75% higher today than they were in 2020. The allocation of credits stayed pretty fixed. It is based on the population. You have bigger and bigger costs and less and less resources to build it. What the twinning allows us to do is on this very ambitious project the City and the Housing Authority under-took, they were building 1,100 new homes in the West Side which allows us to build larger phases.

The twinning on the first one the Board issued \$35 million of bonds for the B part and that was 166 new homes out of 230. The second phase was 144, of which 90 were the bonds and this phase is 168, of which 104 are the bonds. What 20 does is allow you to kind of optimize the public dollars in the project. We are also combining it with private equity and private debt. Both the A and B side have units that are replacement units for College Hill and have units that are part of workforce housing and they have market units. It is a bit about how you optimize by twinning the two. You can optimize it and get more out of the dollar from the public dollar.

Chairman Armor said he thinks they segregate into the pots so that they can maximize the grants of where they need them for the lower to moderate priced rather than the market rate. Mr. Grauley said that if you live there, you have no idea that this is happening. It operates as a single project. From a legal standpoint, there are two separate limited partnerships with two separate sets

of loans and debt. The bonds are only applied on the B side. On the A side, they have conventional loans.

Attorney Noblett confirmed that the notification and TEFRA notice went out on last Monday which is seven (7) days in advance of this hearing. The TEFRA amount is on the not to exceed \$12 million. This is the pre-resolution that the Board will do for the issuance of the bonds.

The motion carried.

ADOPTED

On motion of Ms. Smith, seconded by Mr. Hirsch,

Eviction Prevention Fund

A RESOLUTION AUTHORIZING THE CITY OF CHATTANOOGA TO EXECUTE AN INDEPENDENT CONTRACTOR SERVICES STANDARD FORM AGREEMENT WITH THE CHATTANOOGA REGIONAL HOMELESS COALITION, INC. (CRHC), IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE ADMINISTRATION OF AN EVICTION PREVENTION FUND WHICH WAS ALLOCATED TO AND HELD BY THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD THROUGH THE CITY OF CHATTANOOGA BUDGET AMENDMENT APPROVED IN OCTOBER 2025. (HEB-2026-02)

This is a resolution authorizing the creation and administration of the fund. It is two-thirds correct.

Ms. Megan Miles said they are very excited about this new program that is in front of the Board today. As it mentions in the resolution, in October 2025, the Chattanooga City Council set aside \$1 million for the purposes of rental assistance which is being held by the HEB. What we have done over the last couple of months is work with our partners in the eviction prevention space to develop the program guidelines for this. This is in the context of federal and state eviction funding or rental assistance funding winding down. What we wanted to do was really learn from that experience and look at best practices for rental assistance.

One of the things that we have learned was that while we do have funding available for rehousing for people who are experiencing homelessness, but we did not have the funds specifically for the prevention of eviction. What we have created is a fund that is following through a shallow but flexible model so that we are intervening directly with households that are at risk of eviction. We are working very closely with some specific partners including Legal Aid of East Tennessee, the Office of Homelessness and Supportive Housing, and the Office of Family

Empowerment who do case management and provide additional stabilization services so that in addition to providing some funding to mitigate the eviction crisis, there are also additional services being offered to households to help them remain stably housed. This contract is with the Chattanooga Regional Homeless Coalition to administer the fund. They already administer our Housing Forward Fund and really do a fantastic job with that. They will be responsible for collecting applications, reviewing the applications, disbursing the funding, working with all of our partners, collecting, and reporting metrics.

The amount of the fund is \$1 million. It is important that you have the wrap-around services to help them because providing them the interim financial assistance is one thing but helping deal with the crisis that caused the money shortage is the important part.

Ms. Miles said that if we are able to approve the contract today, the Homeless Coalition is ready to administer funding. Chairman Armor said that he thinks that it would be good after the first six months, if Ms. Miles could provide the Board with a follow-up to show what activity there is and how it is working.

Attorney Noblett asked if this money is allocated to a fund to the HEB. How much more is remaining in that fund? The funding was \$1 million and all should be there. After further discussion, in the Agreement, Mr. Richard Beeland said it could be the HEB and then we can make sure it is covered for both HEB and the City. We need a different signature page. Mr. Beeland said this was on the agenda for the last meeting that got cancelled. We will change the term as March to February. This will be done subject to the approval of the attorney's office.

The motion carried.

ADOPTED

OTHER BUSINESS-DISCUSSION

- a) FYI – Site Plan for the NHC @ Standifer Place bond transaction – Attorney Noblett said they are moving things around on the property and may be constructing something there for National Health Care expansion. They are making sure they come back to the Board for any bond issuances.
- b) FYI – Report on Debt Obligation for One Westside Phase 2B Project, Series 2025, Multifamily Housing Revenue Bonds, \$20 million.
- c) FYI – Report on Debt Obligation for Eastwood Manor, Series 2025, Multifamily Housing Revenue Bond, \$2,946,000.
- d) FYI – Report on Debt Obligation for Eastwood Manor Project Multifamily Note, \$15,054,000.

These Reports on Debt Obligation have been reported to the State Comptroller's Office. Mr. Jay Moneyhun is on many of these documents as the preparer and that is the reason they have completed those documents.

Attorney Noblett said that he has attorneys e-mailing him about a number of items and does not know how quickly the time schedule. They have not told us they need it already. We have had some more stuff regarding CommonSpirit, Standifer Place, and Walk-2-Campus may be outstanding, and possibly Atlantic Companies PILOT. We will let the Board know if there is anything for March.



After further discussion, the meeting adjourned at 12:55 PM.

Respectfully submitted,

Hank Wells, Secretary

APPROVED:

Hicks Armor, Chair