



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, March 17, 2025
12:32 PM and 1:05 PM**

Present Board Members for the 12:32 PM meeting: Hicks Armor (Chair); Richard Johnson (Vice-Chair); Hank Wells (Secretary); and Brian Erwin. Absent were Johnika Everhart, Andrea Smith, and Malcolm Harris.

Also present were Phillip A. Noblett (Counsel to the Board); Steve Barrett (Husch Blackwell); Janice Gooden; Richard Beeland and Hanneke van Deursen (Economic Development); Javaid Majid (Finance); Sandra Gober (Community Development); Zain Mahmood (Paths Development) (virtual); and Cindy Barnett (virtual).

Attorney Phil Noblett said that we have four (4) members present but not five (5) members of the body today. Attorney Noblett is looking at the dummy's brand of Robert's Rules of Order to make sure it keeps him straight on what we can and cannot do. Normally, we have a seven (7) member board and four (4) would be enough. But if you remember correctly, we amended our Charter in 2024 to go up and say we had a nine (9) member board because each of the Council district folks wanted us to have a person on this body to be able to attend.

At this point in time, we have received assurances that we will have at least one more body by 1:00 PM. What Attorney Noblett recommends you do is adjourn the meeting at this point in time since we really need to have this meeting for all of these folks that are on the screen and have that meeting start back up at 1:00 PM today if everyone can attend.

Chairman Hicks Armor asked if you could adjourn a meeting that you have not called to order. Attorney Noblett said that you need to call to order and adjourn and fix the time in which you want. We cannot do anything more unless we have a quorum. Chairman Armor said we can call it to order and say that we do not have a quorum at this time and we are going to delay the start of the meeting for thirty (30) more minutes.

Chairman Hicks Armor called the meeting to order, confirmed the meeting advertisement, but we do not have a quorum present and will delay the start of the meeting for thirty (30) minutes to secure a potential quorum. It is a recess for a short period of time to get the other member.

Chairman Armor commended the Counsel on using dummies for Robert's Rules of Order and being able to count to four (4).

Attorney Noblett confirmed Ms. Cindy Barnett's presence virtually. Ms. Barnett thanked the Board and is appreciative and will hang on another thirty (30) more minutes. Attorney Noblett said that we understand the need for a TEFRA meeting on this project and timing issues. We are trying to accommodate the best we can. Ms. Barnett said they greatly appreciated that and thanked the Board. We will let you know when we get one more within the next thirty (30) minutes.

MEETING RECESSED UNTIL 1:05 PM

Present Board Members for the 1:05 PM meeting: Hicks Armor (Chair); Richard Johnson (Vice-Chair); Hank Wells (Secretary); Brian Erwin, and Johnika Everhart. Absent were Andrea Smith and Malcolm Harris.

Also present were Phillip A. Noblett (Counsel to the Board); Steve Barrett (Husch Blackwell); Janice Gooden; Richard Beeland and Hanneke van Deursen (Economic Development); Javaid Majid (Finance); Sandra Gober (Community Development); Zain Mahmood (Paths Development) (virtual); and Cindy Barnett (virtual).

The meeting was called to order. We did initially confirm the advertisement and do now have a quorum.

MINUTES APROVAL FOR THE FEBRUARY 17, 2025, **MONTHLY MEETING**

On motion of Mr. Erwin, seconded by Mr. Johnson, the February 17, 2025, minutes for the monthly meeting were unanimously approved as written.

PUBLIC COMMENTS

Ms. Janice Gooden's plan is to speak about the TEFRA hearing. Ms. Gooden will wait for the TEFRA hearing.

TEFRA Hearing – The Overlook Apts
Preliminary Bond Inducement - \$15 million

On motion of Mr. Johnson, seconded by Mr. Wells,

A RESOLUTION AUTHORIZING, SUBJECT TO CERTAIN CONDITIONS, THE ISSUANCE OF NOT TO EXCEED FIFTEEN MILLION DOLLARS (\$15,000,000.00) OF MULTIFAMILY HOUSING REVENUE BONDS, IN ONE OR MORE SERIES, FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, AND EQUIPPING OF AN APPROXIMATELY ONE HUNDRED SIXTY-TWO (162) UNIT MULTIFAMILY HOUSING FACILITY LOCATED AT OR NEAR 1201 BOYNTON DRIVE, IN CHATTANOOGA, HAMILTON COUNTY, TENNESSEE FOR THE OVERLOOK APTS PROJECT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS. (HEB-2025-06)

Chairman Armor said this is a public hearing and we will have a presentation from someone who is going to give an update on what the plans for this are. We will be giving them preliminary approval of the inducement for the bond issue. This allows them to apply for tax credits from the state.

Mr. Zain Mahmood spoke virtually from The Overlook Apartments, L.P. (an affiliate of Paths Development LLC “Paths” formally known as Omni America, LLC “Omni”). The Overlook Apartments is a 162-unit multi-family property located at 1201 Boynton Drive in Chattanooga, Tennessee, that was originally constructed in 1978 and last renovated in 2004. This property contains 32 Section 8 units, and the 162 units are LIHTC. The site consists of one nine-story high-rise residential building and four two-story townhouse-style buildings. The unit mix of the property contains 16 studios, 122 one-bedroom apartments, and 24 two-bedroom apartments.

Paths anticipates the syndication and rehabilitation of The Overlook with approximately \$15 million in tax-exempt bonds proceeds from the Tennessee Housing Development Corporation (“THDC”). The capital stack will also include approximately \$9.5 million of equity generated by the syndication of four (4%) percent as-off right Low-Income Housing Tax Credits (“LIHTC”). The units will be subject to regulation in accordance with the LIHTC program and existing regulatory agreements, with all units affordable to households at or below sixty (60%) percent AMI through the terms of the new LIHTC use agreements. There will be no displacement of tenants.

The construction timeline was discussed. They will be awarded the LIHTC sometime during the end of June early July. It will be a 12 month rehab from December 1, 2025, and December 1, 2026. They should have it stabilized by March.

Attorney Noblett said that one of the purposes of this meeting is because something is coming up pretty quick. Mr. Mahmood said that they have to submit the LIHTC application in two days. The deadline is 3/19. They have everything complete and putting applications for four (4) projects.

Chairman Armor said this is essentially no new units just a rehabilitation of the existing units. There are 32 Section 8 units. They have not seen renovations in years.

PUBLIC COMMENTS

Ms. Janice Gooden had some comments. Ms. Gooden is a member of Renaissance Presbyterian Church which is at 1211 Boynton Drive next to the townhouses. Ms. Gooden is familiar with the development. Ms. Gooden said there is a pretty ambitious plan, but from the presentation you said you have 32 Section 8 units. Is this including the townhomes or is that in the towers? Mr. Mahmood said it is in the towers. There may be more Section 8 which would be housing choice vouchers but project based.

Ms. Gooden had a concern about the process of renovations, you have some vacant units that may be available, if necessary, but will there be the possibility that residents will have to move out temporarily. There will be no permanent displacement and usually there is not a temporary displacement. The construction company has them down to a science. It is the same process as other projects. There should be no displacement at all. ADA units require structural changes.

Ms. Gooden said in the proposal it was mentioned that security is 24 hours. Mr. Mahmood said yes, they will start with armed controlled 24 hours, this property has an issue with crime, and they have an affiliated security company. They will install cameras through the property. Security is the highest priority for residents. They will add in controls if needed but the objective will be to have 24 hour controls. They also involve the police department. They expect to stabilize all security quickly once they install the cameras.

Ms. Gooden said the company is not based in Tennessee but has on-site management. Mr. Mahmood said yes, but there was further discussion that was inaudible. Ms. Gooden asked how do you plan to communicate to the residents as far as the changes that are being made? Will that be in writing or do you have a resident council group? They have a management company and are focused on communication. They would hold resident community meetings. They can also send out written communication. They are also planning to upgrade some of the resident services. Ms. Gooden said she thinks the timing is really good with the transformation of the Westside.

Chairman Armor said currently you are in a management agreement and you go to an ownership but that will be when construction begins roughly December of this year, is that correct? Mr. Mahmood said yes. Construction will begin in January, but they will close on bonds and the whole financing structure in December. That is when they will take over.

Attorney Noblett said that the public notice went out at least a week in advance of this meeting and because it is a TEFRA hearing on the approval of this governmental body, the HEB is the governmental body it is dependent on, the reason for the rush is because they have to do this stuff in two days.

The motion carried.

ADOPTED

OTHER BUSINESS-DISCUSSION

- (a) TDEC Response – 1400 Chestnut PILOT
- (b) TDEC Response – The Reserve at Mountain Pass PILOT

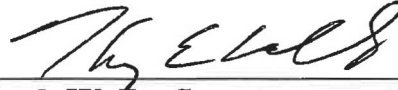
Attorney Noblett said that we sent documentation to the folks with TDEC in the State Division of Remediation and wanted to make sure the Board had a copy of your file. It is the status of Land Restrictions which sometimes come into being whenever you are dealing with residential properties. Just to be aware these are out there. We have said that none of our activities, since it is in the name of HEB, have been restricted activities and all of our environmental controls remain in place on the properties which are vacant at this point. To be aware that whenever we start getting into Brownfield situations where there are federal regulations on how people can live in areas, you need to be aware of that as we are going forward. We got these restrictions from the state, and we are living by them.

Mr. Brian Erwin asked if this is annual notice that the Board needs to submit. Attorney Noblett said that they are sending that notice to us in the case just telling us to provide that and believe there is a new requirement annually to provide information. One of these properties actually had some stormwater enforcement notices. That is why those are attached when sent.

Chairman Armor thanked everyone for working with the Board on times and polls, and thanked Ms. Everhart since it was her last meeting. That will work for Ms. Everhart. Attorney Noblett thanked Ms. Everhart for showing up. Chairman Armor thanked Ms. Everhart for all of her service. Ms. Everhart always has good questions and question whether Chairman Armor appreciates the questions, and Chairman Armor says he does appreciate the questions. Chairman Armor appreciates Ms. Everhart's insight and commitment to this and thanked her for her service. Attorney Noblett said he appreciates Ms. Everhart answering his text messages over the weekend. Ms. Everhart said she was swamped at her office and literally ran over here and been in court all morning. Chairman Armor thanked Ms. Everhart.

After further discussion, Chairman Armor adjourned the meeting at 1:25 PM.

Respectfully submitted,



Hank Wells, Secretary

APPROVED:



Richard Johnson, Vice-Chair