



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, April 20, 2026
12:35 PM**

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

Also present were Phillip A. Noblett (Counsel to the Board); Janice Gooden (CALEB); Megan Miles (Housing); Jacquelen Madding; Chris Rutledge (Pinnacle Bank); Sarah Ross and Dallas Joseph (Baylor School); and Richard Beeland and Sandra Gober (Economic Development).



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



**MINUTES APPROVAL FOR THE FEBRUARY 16, 2026,
MONTHLY MEETING**

On motion of Mr. Brian Erwin, seconded by Ms. Kanika Wellington-Jones, the February 16, 2026, minutes for the monthly meeting were unanimously approved as written and presented. The motion carried.



PUBLIC COMMENTS

There were no public comments.



RESOLUTION

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

A RESOLUTION RATIFYING THE EXECUTION BY THE CHAIR OF A JOINDER FOR THE TENNESSEE HOUSING DEVELOPMENT AGENCY RENTAL HOUSING DECLARATION OF RESTRICTIVE COVENANTS AND NOTICE OF LAND USE RESTRICTIONS CONCERNING THE CHATTANOOGA NEIGHBORHOOD ENTERPRISE (CNE) LYERLY PILOT TRANSACTION. (HEB-2026-03)

Attorney Noblett said this ratification is for the purposes of the CNE/Lyerly PILOT transaction for the restrictive covenants that were involved that the THDA has required.

The motion carried.

ADOPTED

RESOLUTION

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

A RESOLUTION RATIFYING THE EXECUTION BY THE CHAIR OF THE NOTICE OF LAND USE RESTRICTIONS AND INSPECTION AND MAINTENANCE AGREEMENT OF PRIVATE STORMWATER MANAGEMENT FACILITIES CONCERNING THE CHATTANOOGA NEIGHBORHOOD ENTERPRISE (CNE) BAILEY PILOT TRANSACTION. (HEB-2026-04)

Attorney Noblett said this second one is simply a Notice of Land Use Restrictions and Inspection and Maintenance Agreement of Private Stormwater Management Facilities that CNE has on the Bailey property. They are responsible in that case for a Private Stormwater Management Facility.

The motion carried.

ADOPTED

RESOLUTION

On motion of Ms. Smith, seconded by Ms. Jones,

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING (MOU) WITH THE TENNESSEE HOUSING DEVELOPMENT AGENCY, IN SUBSTANTIALLY THE FORM ATTACHED, TO ADMINISTER A DOWNPAYMENT ASSISTANCE PROGRAM, FOR AN AMOUNT UP TO THREE MILLION DOLLARS (\$3,000,000.00), SUBJECT TO APPROVAL BY THE CITY ATTORNEY. (HEB-2026-05)

Ms. Megan Miles (Director of Housing Policies) spoke. Last year, the Chattanooga City Council allocated \$3 million for the City to create a brand new downpayment assistance program. Our team has been very hard at work over the last several months. We are going to be making up to \$15,000.00 of City funding available to first time homebuyers to purchase a home in the City limits.

What you are looking at today is actually going to be a partnership with the Tennessee Housing Development Agency (THDA). It will be the first time they have done anything like this in the state. What this does is it allows us to access their mortgage products. THDA primarily does a lot of mortgage lending for single-family homes. They have fantastic mortgage products including a Downpayment Assistance Program (DPA). They have products that allow up to \$6,000 in DPA, and we have designed our program so that those two things can be layered together.

We created a really streamlined process so that if you are a lender who is already approved to work with THDA, you can continue to follow their process, access that \$6,000, and then you can unlock an additional \$15,000 in City funding so that we can help more first-time homebuyers purchase a home and generate wealth.

That is what the Memorandum of Understanding does. It just outlines the partnership between THDA and the HEB. That funding already exists; it has already been allocated by City Council and is sitting in a bank account at THDA. We will be reimbursing THDA for the loans. That is why it says an amount up to \$3 million. We are also making a pathway for participating lenders who are based locally and have their own products. THDA will likely not access all of that \$3 million, but we are making it available to them on a first come, first serve basis. Each month they will be sending us a monthly report. They will be fronting the money for DPA, and we will be reimbursing them. That is a really easy and nice process for us. We will keep that money here. It gives us the opportunity to leverage additional public funds and strengthen and impact our investment locally.

Mr. Erwin said he is very familiar with THDA. Under this partnership, are there specific zip codes that are identified by THDA and the City that qualify and additionally, is there a term that must be occupied. Ms. Miles said that any home that is purchased within the City of Chattanooga limits can qualify for city programs. There are a few changes. We really designed our program to layer very well with THDA. There are a couple of tweaks that we made. They will go up to 120% of the AMI and restriction up to 120% because that is what really makes sense with our market. They work in Nashville, Franklin, and across the state. They have a bit of a higher income limit. We have a geographic boundary. The home must be purchased within the City of Chattanooga under the \$400,000 purchase price limit. The loan itself is designed to be a zero percent interest deferred payment. It is not amortizing; there is no payments and due in full upon sale or cash out refinance. Only due if there is a cash event and the owner will be recouping that. Otherwise, it will sit in position behind THDA's first mortgage and people are choosing to access it behind the \$6,000 DPA.

The borrower must qualify for all THDA lending. They will have to have a THDA first mortgage. We are thinking of access and sustainability for the program is how can we come in on the back end and be the gap filler. What is the gap that someone needs to reach the distance of what they have and what already exists in the mortgage and homeownership. We think to be responsible stewards of our local dollars we are going to come in at the end. We are asking for first mortgage for THDA products that would be the Great Choice Home Loans, and then they can bring that additional THDA DPA, and our money up to \$15,000 will go to cover whatever that gap is remaining.

Chairman Armor said that is the gap for the downpayment. Ms. Miles said exactly. They have to qualify for the loan. When they look at the loan and they know what the downpayment is and they know they don't have it, how do they qualify for the loan without having the downpayment that you are going to help them with? Ms. Miles said that is what the lender will do. The way we are running this program again is because we are going to be relying on lenders. Your participating lender, you are already approved to work with THDA, you have been through training, you know what their products are, and you know how to calculate that. We will be doing an additional training with those lenders. Any lender that wants access – the lender then knows you don't have the full downpayment. They will be working within guidelines, but the lender is really going to be the one responsible for determining that.

Ms. Jones has a question about the lender. Is there any way that we can recommend that the vender actively markets the DPA at the point of sale instead of waiting for somebody to ask for it. They are doing a lot of outreaches. One of the things they did when they were designing this program is start with the lenders. After further discussion, a series of information sessions will be held with the City. There are three scheduled at the end of May beginning of June, and we are also going to be pulling housing counselors and hiring lenders to attend community outreach sessions so that people have an opportunity to have those conversations.

Mr. Erwin asked what the application process is. Is it somewhat structured on what the requirements are but to apply specifically for the City grant. Ms. Miles said what they are trying to do as the City, we don't want to be in the business and one of the reasons is THDA partnership is so fantastic because it removes a lot of that administrative burden because they are already

experts in that. We are tapping into the process that already exists for them and the way that we anticipate the way this works with THDA lenders is that it really should not look much different than it already looks. We are not expecting homebuyers to submit an additional application to the City. We do not want to get in the way of that process.

Attorney Noblett said the agreement is with the City and THDA. It should be with the Board. We updated the MOU to be with the HEB.

The motion carried.

ADOPTED

OTHER BUSINESS-DISCUSSION

FYI – Preliminary Summary of Bonds and Project – The Baylor School Project, Series 2026 - \$62 million.

Mr. Dallas Joseph is the Chief Financial Officer at The Baylor School. They are coming to the Board to submit information about the financing. They will have 1,134 students enrolled in Baylor. It is 890-day students and 244 boarding students. They would like to increase their boarding program by 100 students. What we have before you is one of two things. One, we are applying to build a new dorm that will allow us to increase the boarding program from 244 to 342. We are also building a central energy plant to send steam and water to that building and several others. We also have a fiber optic project. In addition, we want to refinance 2017 bonds that this board approved.

Mr. Erwin asked in the refinancing of the 2017 bonds, what was their maturity date? It would be another 18 years, about 2045. This issue would be held by the bank as well.

Attorney Noblett said this will come before the Board next month. We do not need a vote today and just for informational purposes.

Discussion of College Hill Courts:

Chairman Armor asked about College Hill Courts. It is his understanding that these are up to seven phases that as they took down parts of it, build Phase 1, tear this part down, those people have the option of moving. Chairman Armor does not remember where he picked this up, but he heard there were people who did not have a space to go to. And that was concerning because he heard that the reason it was done in phases is so that any current resident could choose to leave if they wanted to, but that people had been turned away. Part of it was that because of the mixed-income usage that says there are 50 people in this building that is being torn down and there may only be 25 slots in the new building for those 50 people. Great concern. Chairman Armor does not have any substantiation if you said who, where, what, he does not know, but he wanted someone from this to – Ms. McCright – to make sure for the next meeting if they can come in and tell us no, what you heard was incorrect. Chairman Armor is concerned about that.

Mr. Richard Beeland said that he worked with Ms. McCright on those projects. He can assure you that is incorrect. Phase 1 is going to be completed the end of this year, and a portion of the people who choose to move and relocate will be able to locate to those units. Phase 2 is under construction as he speaks and will be ready next year. The remaining ones will be able to move into that one. As the other phases come along, then the remaining people in the units would be able to choose to go into those if they still remain. There is not that many people who are still remaining at College Hill Courts properly because they either chose to move out and they have not been renting any more, but they will have enough room for everyone who wants to move.

Chairman Armor said that was his understanding. He cannot remember where he heard, and it was probably somebody who knew somebody, but does not think it was a first-hand person because he would have gotten their name. He appreciates the clarification because that was our understanding and why we approved the phase because it was so that before one was torn down then they had a place to go. That is right. Chairman Armor's question was answered.



After further discussion, Mr. Mason made a motion to adjourn the meeting, seconded by Mr. Erwin, and the meeting adjourned at 1:00 PM.

Respectfully submitted,

Hank Wells, Secretary

APPROVED:

Hicks Armor, Chair