



## **HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD**

**City of Chattanooga, Tennessee**

### **MONTHLY MEETING MINUTES**

**John P. Franklin, Sr. Council Building**

**Assembly Room**

**1000 Lindsay Street**

**Chattanooga, TN 37402**

**for**

**Monday, October 20, 2025**

**12:30 PM**

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

Also present were Harolda Bryson (Counsel to the Board); Andy Clark (National Healthcare); Gary O'Brien (LaBella); Taylor Brooks (Adams & Reese); Zain Mahmood (Paths Development); Janice Gooden (Riverside Area); Kirby Yost and Jeffrey Maddux (Chambliss); Valerie Malueg (Deputy City Attorney); Jay Moneyhun (Bass Berry & Sims); Ellen Gerst (Times-Free Press); Steve Barrett (Husch Blackwell); Deedra Burrags (AAMCI); Hanneke van Deursen and Sandra Gober (Economic Development); and Frank Reese (Atlantic Companies).

Attorney Harolda Bryson introduced herself and is filling in for Attorney Phil Noblett today. Before we start the meeting, we have a bit of housekeeping to take care of. Neither the Chair nor the Vice-Chair of the Board are present today. Our Secretary of the Board, Mr. Hank Wells, will call the meeting to order, and the Board will proceed with electing a Chair Pro Tem who will preside just over today's meeting. Mr. Hank Wells called the meeting to order and said that we do not have a Chair and do have a quorum. Mr. Wells confirmed that the meeting was properly advertised and there is a quorum for conducting business.

Mr. Wells said that a Chair Pro Tem needs to be elected since the Chair and Vice-Chair are not present. Mr. Brian Erwin made a motion to elect Mr. Hank Wells (Secretary) as Chair Pro Tem, seconded by Mr. Jonathan Mason, and Mr. Hank Wells was elected as Chair Pro Tem for the meeting.

**MINUTES APPROVAL FOR THE SEPTEMBER 15, 2025,  
MONTHLY MEETING**

On motion of Mr. Malcolm Harris, seconded by Ms. Andrea Smith, the September 15, 2025, minutes for the monthly meeting were unanimously approved as written. The motion carried.



**PUBLIC COMMENTS**

Ms. Janice Gooden spoke and said that she has been following some of the proposals for housing, Overlook, and Eastwood Manor. Ms. Gooden is happy to see these come forward. One of the questions is about the PILOT program. What does compliance look like? There is a presentation, and I would like more information. Mr. Wells said that we will make sure her questions are answered at the time of the presentation.



**RESOLUTIONS**

**The Overlook Apartments Bond Issuance - \$15 million**

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

**A RESOLUTION AUTHORIZING AND APPROVING ALL DOCUMENTS, INSTRUMENTS, ACTIONS, AND MATTERS NECESSARY OR APPROPRIATE FOR, OR PERTAINING TO, THE ISSUANCE, SALE, AND DELIVERY BY THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE OVERLOOK APARTMENTS), IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTEEN MILLION DOLLARS (\$15,000,000.00). (HEB-2025-11)**

Mr. Zain Mahmood works at Paths Development LLC which is the affordable housing development with Naveen Real Estate. Mr. Mahmood has a presentation to give. Mr. Mahmood is here to talk about the Overlook Apts. Mr. Mahmood came in March 2025 to get the preliminary bond inducement for \$15 million of tax-exempt bonds for the project.

The presentation is attached with details of the project. It is a 162-unit property located at 1201 Boynton Drive, Chattanooga, TN 37402. The property was previously owned by Millennia and left to a state of disrepair. Paths Development stepped in in October 2024 through the management company. After they received an inducement from this Board in March 2025, they started the repairs on the project. After that, they were able to get the LIHTC award from THDA in July 2025. We are contemplating closing the bond in November.

This project includes major renovation throughout the property. The scope is about \$12 million. There are going to be large exterior repairs, interior repairs, and ESG Upgrades. The management company has already taken over. See the presentation for details. Pictures were shown of pre-habilitation and post-rehabilitation.

Ms. Smith asked about case management services. Ms. Jones asked how the tenants are notified about upgrading construction. Mr. Brian Erwin is impressed that they began improvements to the property and appreciates the project moving forward. Mr. Mahmood said that so far, they have spent \$2.7 million just on the units that they have.

The motion carried as presented.

**ADOPTED**

**Eastwood Manor Apartments Bond Issuance - \$18 million**

On motion of Mr. Harris, seconded by Ms. Jones,

**FINAL RESOLUTION AUTHORIZING THE APPROVING ALL DOCUMENTS, INSTRUMENTS, ACTIONS, AND MATTERS NECESSARY OR APPROPRIATE FOR, OR PERTAINING TO, THE ISSUANCE, SALE, AND DELIVERY BY THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE OF ITS MULTIFAMILY NOTE AND ITS MULTIFAMILY HOUSING REVENUE BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTEEN MILLION DOLLARS (\$18,000,000.00), THE PROCEEDS OF WHICH WILL BE LOANED TO EASTWOOD MANOR II, LP TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF A MULTIFAMILY HOUSING FACILITY KNOWN AS EASTWOOD MANOR APARTMENTS IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE. (HEB-2025-12)**

Ms. Deedra Burraghs (AAMCI Development) spoke. They have a tax credit award through THDA to rehab Eastwood Manor Apts. This is an elderly community with 10% of the units set aside for disabled. It is 98 units. There are 30 efficiency units, 54 one-bedroom units, and 14 two-bedroom. The rehab will be \$82,000 in hard costs per unit or a total of \$8.1 million of rehab.

They are installing security systems, new roofs, and a gazebo, renovating the community building as well as the laundry facilities with some commercial facilities for the residents. They are installing new flooring throughout, new appliances, light and plumbing fixtures, toilets, and electrical panels because the property was built in 1979, and HVAC. The community room is going to have nice renovation there along with the laundry room right beside it. The residents really love this community room because of activities for an elderly community. The same rehab as the units. New concrete sidewalks, signage, asphalt, landscaping, and will have a freshened look from the outside. There are 14 buildings, one-story. The buildings are split, brick, and vinyl right now.

Mr. Jay Moneyhun (bond counsel) spoke at this point. The first resolution is for the approval of the bond issuance. We were here earlier this year and got the preliminary resolution approved by the Board and were able to go to THDA and get the bond and tax credit awards. We are back for the final approval of the bond issuance. Ms. Burraghs said that this project is also 100% Section 8. The address is 3831 Wilcox Blvd.

The motion carried.

**ADOPTED**

**Eastwood Manor Apartments PILOT Agreement**

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

**A RESOLUTION OF THE HEALTH, EDUCATIONAL, AND  
HOUSING FACILITY BOARD OF THE CITY OF  
CHATTANOOGA, TENNESSEE, REGARDING A  
PAYMENT IN LIEU OF TAXES TRANSACTION WITH  
EASTWOOD MANOR II, LP. (HEB-2025-13)**

Mr. Moneyhun said that Ms. Burraghs has been working with the City in the Affordable Housing PILOT Program. The amounts have been approved by the City and the Mayor.

Upkeep, affordability, and term were discussed by Mr. Moneyhun. Ms. Burraghs said the management company for the property is an affiliate group AAMCI Management who has managed Section 8 communities since 1972. Long track record for affordable housing management.

The motion carried.

**ADOPTED**

**MF Joint Venture, LLC (an affiliate of The Atlantic Companies LLC)**  
**PILOT Agreement**

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

**A RESOLUTION OF THE HEALTH, EDUCATIONAL, AND  
HOUSING FACILITY BOARD OF THE CITY OF  
CHATTANOOGA, TENNESSEE, REGARDING PAYMENT  
IN LIEU OF TAXES TRANSACTION WITH  
CHATTANOOGA MF JOINT VENTURE, LLC. (HEB-2025-  
14)**

Ms. Hanneke van Deursen said this is the first mixed income PILOT. This is a mixed income approach to get affordable developments all around the City. The PILOT goals, public benefit, and public investment were discussed. See attached presentation for details.

The current tax bill on this property which has been vacant for a long time is \$9,055. Because the developer has elected to do 42 affordable units, it qualifies for a partial tax abatement. The City will still see an increased tax revenue from this development and it will get the public benefit in the form of affordable units. The development has qualified for a 69% abatement of \$416,123 and payment in lieu of taxes in the amount of \$341,931.

Mr. Frank Reese is with the Atlantic Companies. They are a full-service real estate development company based out of Atlanta but also have offices in Charleston. They have development experience throughout the southeast in Alabama, Georgia, and North Carolina. We do development acquisitions, construction management, accounting, and leasing brokers. See attached presentation for details.

The project is located at 702 Manufacturers Road. This is in the Northshore area of Chattanooga. Nothing is active on the site today outlined in yellow. It is for 278 multifamily units. It will be five buildings that will run throughout the site. Paper Mill Road is a city street that will be redeveloped. They are hoping to break ground within the next 30 days. The project overview can be found in the presentation. There will be 42 affordable units. The 32 of the units will be at 60% AMI, and 10 units will be at 80% of AMI. Current tax bill is little over \$9,000. With the development, the future property tax will be \$341,931.

A traffic study was done and there is not a significant impact on Manufacturers Road. The rezoning will promote more development in the future. Traffic patterns were discussed.

Ms. van Deursen said that this project has been through rezoning, and the RPA has decided and received approval from City Council.

Affordability was discussed and advertised for the public. There will be a third-party management company that will advertise through various avenues online and through paper. We will advertise for everyone but certainly will think of different means that can target more affordable on prospects.

The motion carried as presented.

**ADOPTED**

**Walnut Commons PILOT Agreement**

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

**A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE A QUITCLAIM DEED, IN SUBSTANTIALLY THE FORM ATTACHED, TO CHERNER CHATTANOOGA, LLC, WITH REGARD TO THE WALNUT COMMONS PILOT TRANSACTION. (HEB-2025-15)**

Ms. Valerie Malueg followed this transaction all the way from when it was being built. Ms. Malueg is not familiar with the PILOT but is familiar with the project. Basically, they obtained a PILOT in 2010, and the apartments were built in 2008 or 2009. They are apartments and not the townhomes. They have an option to purchase at the end of the PILOT term and have decided to exercise that option. Walnut Commons was the original Lessee under a lease with the Chattanooga Downtown Redevelopment Corporation which was assigned to the Cherner Group in the last several years. The PILOT does sunset at the end of this year December 31, 2025, the PILOT does end.

The approval is for the QuitClaim Deed which is the transfer of the ownership from this Board to the new group that holds the Lessee, the Cherner Chattanooga, LLC. Mr. Erwin understands that the PILOT term expires at the end of the year, which this transfer of ownership quitclaiming does not amend any of those agreements. Ms. Malueg said the PILOT will end. This group and the Lease that was executed originally with the Chattanooga Downtown Redevelopment Corporation had a lease option to purchase. They are exercising and have sent notice to our office and to Phil Noblett City Attorney and attorney for this Board that they desire to exercise their option to purchase at the end of the term December 31, 2025.

This does not influence the residents. It will just change ownership. When the PILOT was granted, this Board assumed not ownership but the Lease that was currently held by Walnut Commons LLC. The property interest that this Board held was not a fee simple interest, it was a leasehold interest. Once the PILOT ends, it will be transferred over to the new group Cherner Chattanooga LLC based on its option to purchase the property that is contained in the original lease.

There was an assignability clause in the original lease which is common in most leases, and they exercised their right to assign all their interest in the original lease with the Chattanooga Downtown Redevelopment Corporation, and the Chemer Group was the one that was the Assignee. They assigned it over to this group for whatever reason and are not sure of the reason behind that.

The motion carried.

**ADOPTED**

**Presentation of PILOT and Affordable Housing Fund**  
**Annual Report by Sandra Gober**

Board Members, Mr. Tom Hirsch and Malcolm Harris, introduced themselves as new board members. This annual report is done every year. It is very helpful and provides a lot of information about the PILOT agreements and other transactions that the Board takes care of.

Ms. Sandra Gober is Director of Housing and Community Investment Division in the Department of Economic Development. Ms. Janice Gooden had a desire for an annual report.

Since about 2002, the HEB has been granting approving PILOTs for housing and started out with the footprint downtown which is one of the projects that Ms. Malueg just spoke about. Over the years, there have been changes and amendments to the PILOT for housing. Initially, the footprint was for housing in the downtown area and in 2014 the footprint was expanded, and the requirements were at least 20% of the units and the development had to be available for low-income households. In 2016, there was an amendment to the resolution and at least 50% of the units had to be available as affordable units.

Ms. Gober gave an update on the projects that are under development where there is service. Regarding the layerings or recommendations associated with a developer receiving a PILOT, in addition to the developer receiving the payment in lieu of taxes, typically, the capital stack is layered with funding from other agencies like the Tennessee Housing Development Agency bond issuance. In addition, in some cases, it will have a PILOT and on top of that it could also have some funding from the City which will typically be this federal funding. The funding levels and capital stack themselves, each carry restrictions and requirements and with all of them it is ensuring that the project remains stable and in compliance regarding the number of units that are available to low-income tenants and the range of low income, and some have percentages. This report will show this is a listing of all the projects that are serviced currently and those that are under development. There are three that are under development. The spreadsheet provides details on several units that fall under each income category.

Ms. Gober went over the presentation which is attached to these minutes. The primary purpose of this report, also as the slide indicates, is we must ensure that the projects remain in compliance. Our office as well as THDA are assisting with the projects. They have requirements that the units are managed in a certain way and that the tenants are vetted properly to ensure that their income qualifies. The projects that have funding through THDA can accept their compliance reports. There are projects that do not have funding for THDA and those projects we do the compliance ourselves and request annual reports from the development. All the projects are complying with either through THDA or our staff going on site and receiving and reviewing the compliance rent rolls at the developments.

In addition to the PILOTs that are approved by this body, the HEB also approved the management and distribution of funding to projects under our Affordable Housing Fund. The program was initiated in 2017-18 and through that fund the HEB approved the funding for these projects. This is just an update on the status of those projects. Everything has been funded, the project and/or the activity are complete. The most recent last one at East M.L. King was the development by Chattanooga Neighborhood Enterprise and the project was completed recently and now in service.

Ms. Jones asked if this report was made available to the public. Ms. Gober said it is not public facing only the Board, but we do not have anything on our website. It is available on request. Ms. van Deursen said the County keeps records on their website and you can see the information. It is all PILOTs in the County.

Ms. Janice Gooden said that one of things she was trying to understand with the new PILOT program, it has ability, compliance, which was added the ability to go in and inspect some of the units that are approved. Is that separate from the previous program? Ms. Gooden wanted to get an understanding of how that works. Ms. van Duersen responded, however, it was inaudible.



#### **OTHER BUSINESS-DISCUSSION**

**NHC Chattanooga Standifer Place** – Discussion with National HealthCare Corporation representative Andrew Clark regarding the project and request for the Board's approval to proceed. Information has been provided.

Mr. Andy Clark spoke about supporting the project. On the past couple years, we have had discussion with the City Attorney's Office, Deacon Hicks Armor, about the potential to put a behavioral health hospital at Standifer Place which is currently under a Lease Agreement with the HEB. We have provided this group with a site plan, floor plan, and some renderings on what we propose to do for your consideration. There is a one-page summary that includes National Health Care's background which we are the ones involved with the Lease. The services provided by our tier model, all that information has been provided.



Some points of detail are that this is a 24 bed, behavioral health hospital, with both inpatient and outpatient services proposed. Approximately a \$12 million total investment with \$9 to \$10 million of that with local trades and contractors for the actual physical construction. A couple of years ago, we did a CON needs study. Since that time the CON is no longer a part, however, in 2023, there was a need projected in the area for 32 behavioral health beds.

We have determined that the market will continue to grow, the need continues to increase, and 24 beds would be a great compliment to Standifer Place. It is a continuing care retirement community with skilled nursing, memory care, and now hopefully we can have this behavioral health component. After talking with the City Attorney's Office about the background of the Lease and circumstances, we do not request any changes to the Lease. The use for behavioral health is allowed now by both the City and the Lease, and we are looking to improve the demise premises which are also allowed by the Lease. We would appreciate your support, and, in that matter, we can go forward with the City as far as the documents.

We will have new staff, and it will be NHC operated. We will operate that internally. There would not be any monetary requirement on the City's part. The existing lease is in place until 2052. There are no changes to that. If all goes well, we will start construction as quickly as we can get the drawings done. Part of the current lease, it is Mr. Clark's understanding that we can improve the demise premises but as the HEB is the landowner, Mr. Clark did not feel it was appropriate to proceed without having some discussion with the Board.

After further discussion, Mr. Hirsch made a motion for this project to move forward with approval for NHC's work, seconded by Mr. Harris, and the motion unanimously passed.



After further discussion, a motion to adjourn the meeting was made by Mr. Mason, seconded by Mr. Hirsch, and the meeting adjourned at 1:35 PM.

Respectfully submitted,

Hank Wells (Nov 18, 2025 10:44:58 EST)

**Hank Wells, Secretary**

APPROVED:

**Hicks Armor, Chair**






# 10-20-2025

Final Audit Report

2025-11-18

Created:	2025-11-18
By:	Maria Manalla (mmanalla@chattanooga.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAn-yGoY5PljuSe_zhOQxxjWMxsYc8fugR

## "10-20-2025" History

-  Document created by Maria Manalla (mmanalla@chattanooga.gov)  
2025-11-18 - 3:37:56 PM GMT
-  Document emailed to Hank Wells (hankwells3@gmail.com) for signature  
2025-11-18 - 3:38:01 PM GMT
-  Email viewed by Hank Wells (hankwells3@gmail.com)  
2025-11-18 - 3:38:45 PM GMT
-  Document e-signed by Hank Wells (hankwells3@gmail.com)  
Signature Date: 2025-11-18 - 3:44:58 PM GMT - Time Source: server
-  Agreement completed.  
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# The Overlook Apartments Rehabilitation

Paths Development LLC

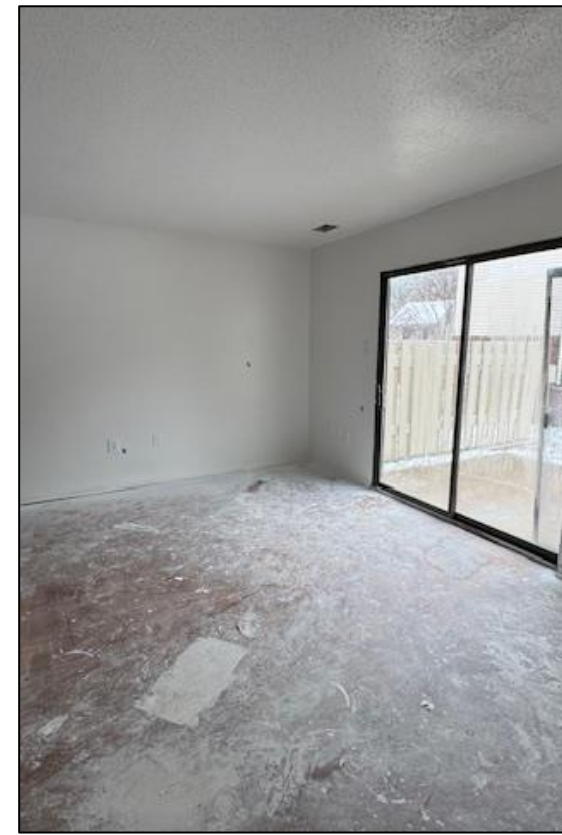
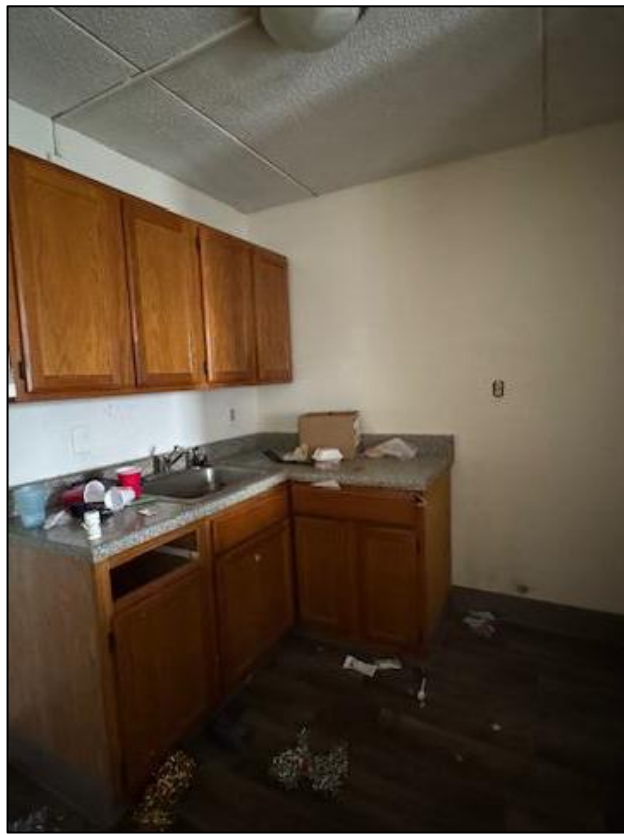


# Project Overview – The Overlook Apts

- The Overlook Apartments is a 162-unit property located at 1201 Boynton Dr, Chattanooga, TN 37402
  - Existing LIHTC and 20% HAP Coverage
- Previously owned by Millennia, left to a state of disrepair,
  - Paths stepped in October 2024 and started critical repairs after receiving Bond Inducement in March 2025
  - Obtained Bond Inducement in March 2025, LIHTC Award in July 2025
  - Bonds Closing November 2025
- Business Plan – Major Renovations through LIHTC Syndication
  - Renovation Scope is \$11.7mm
  - **Exterior Repairs** - replacement of roofs, repaving and striping of parking lots, upgrading mechanical systems and electrical systems as needed, plumbing upgrades as needed, upgrading landscaping, new amenities gazebo and pergola
  - **Interior Repairs** - replacement of kitchen cabinets, countertops, vanities, interior and exterior doors, and tubs and showers as needed; all new LVT flooring, sinks, faucets, fixtures, windows, smoke detectors, installation of energy-efficient appliances, ceiling fans and lighting
  - **ESG Upgrades** – implementation of energy efficiency appliances, LED lights, Energy Star windows, low-flow water fixtures, learning thermostats etc

- New Management Company – Paths Management Services
  - Strong track record in 15 states from the Northeast to West Coast
- New Security System by affiliated company Reliant Safety (<https://www.reliantsafety.com/>)
  - DVR surveillance cameras to cover the sites entirely (monitored 24/7)
  - Unarmed Security Guard
  - Significant decrease in crime
- Adding Resident Services through Ounce of Care
  - Services include access preventative healthcare, transportation, education and assistance navigating available services
  - Quality assurance
- No permanent displacement of residents
  - In-place tenant rehab.
- Free cable and Internet provided to all residents through MDU Cable Contract

# Pre-Rehabilitation





# Post-Rehabilitation



# Pre-Rehabilitation





# Post-Rehabilitation - Rendering



# **Affordable Housing PILOT**

702 Manufacturers Road

# Affordable Housing PILOT Program



## Affordable Housing Payment-in-Lieu-of-Taxes (PILOT)

### Program Guidelines

City of Chattanooga  
Health, Educational, and Housing Facility Board

#### Purpose

To incentivize construction or renovation of multi-unit housing that provides units affordable to low- and moderate-income households.

#### Program Overview

The City of Chattanooga, in partnership with the Health, Educational, and Housing Facility Board (HEB), administers a program that provides partial property tax abatements for a period of fifteen years. In return, participating property owners must designate a share of rental units as income-restricted and affordable to low- and moderate-income households. The percentage of tax abatement granted is determined by both the number of affordable units provided and the depth of affordability achieved.

#### Eligibility and Project Requirements

- **Project Location:** The proposed project must be located within the City of Chattanooga.
- **Project Scale:** The proposed project must include a minimum of 10 housing units.
- **Project Type:** The proposed project must be multi-unit housing that is either new construction or renovation of an existing structure involving substantial capital improvement.
- **Site Control:** The applicant must own the property or have an enforceable option to purchase at the time of application.
- **Zoning Entitlements:** The proposed project must be allowed under the current zoning of the property. If rezoning is needed, this must be complete prior to PILOT application.
- **Application Timing:** Applicants must have a signed PILOT Lease and Agreement with the HEB before the commencement of construction or rehabilitation of the project.

Redesigned program adopted by the City Council on March 26, 2024

## Policy Goals

- Encourage all new development to include some affordable units
- Target incentives to work in all neighborhoods
- Provide developers with flexibility on affordability levels
- Link tax abatements directly to the value of affordable units delivered

# 702 Manufacturers Road

## 42 Affordable Units

15% of total units

### 32 units at 60% AMI

- **13 studios**  
↳ \$1,004 (\$40,160)
- **15 1-bedrooms**  
↳ \$1,075 (\$43,000)
- **4 2-bedrooms**  
↳ \$1,290 (\$51,600)

### 10 units at 80% AMI

- **7 1-bedrooms**  
↳ \$1,433 (\$57,320)
- **3 2-bedrooms**  
↳ \$1,720 (\$68,800)

## Tax Bill

Current Tax Bill      **\$9,055**

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Tax Abatement  
(69%)      (\$416,123)

Payment in Lieu of Taxes  
**\$341,931**

Public Benefit

Public Investment





## 702 MANUFACTURERS ROAD

278-UNIT CLASS A MULTIFAMILY  
DEVELOPMENT

CHATTANOOGA, TN



ATLANTIC  
COMPANIES





## THE ATLANTIC COMPANIES OVERVIEW

- Fully integrated real estate firm based in Atlanta, GA and Charleston, SC.
- Development team has experience in Georgia, Tennessee, South Carolina, and Alabama, delivering high-impact projects throughout the Southeast.
- Portfolio includes Class A office facilities, world-class research centers, complex mixed-use developments, multifamily communities, retail spaces and structured parking facilities.
- Over \$3.5 billion gross assets developed and acquired, and the principals have over 30 years of experience.

### BUSINESS SEGMENTS

Development

Acquisitions

Property Management

Construction Management

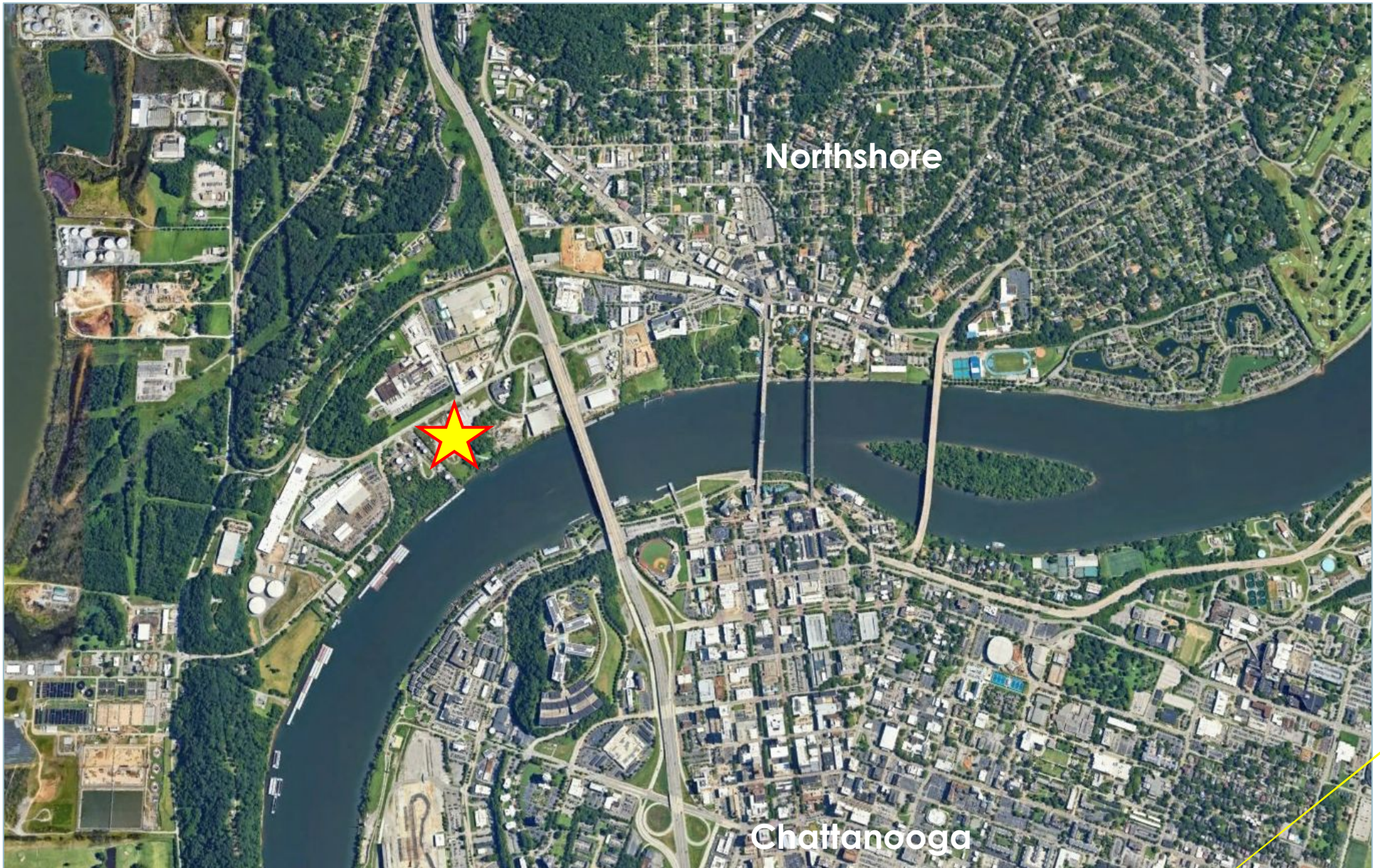
Accounting

Leasing & Brokerage





## PROJECT OVERVIEW



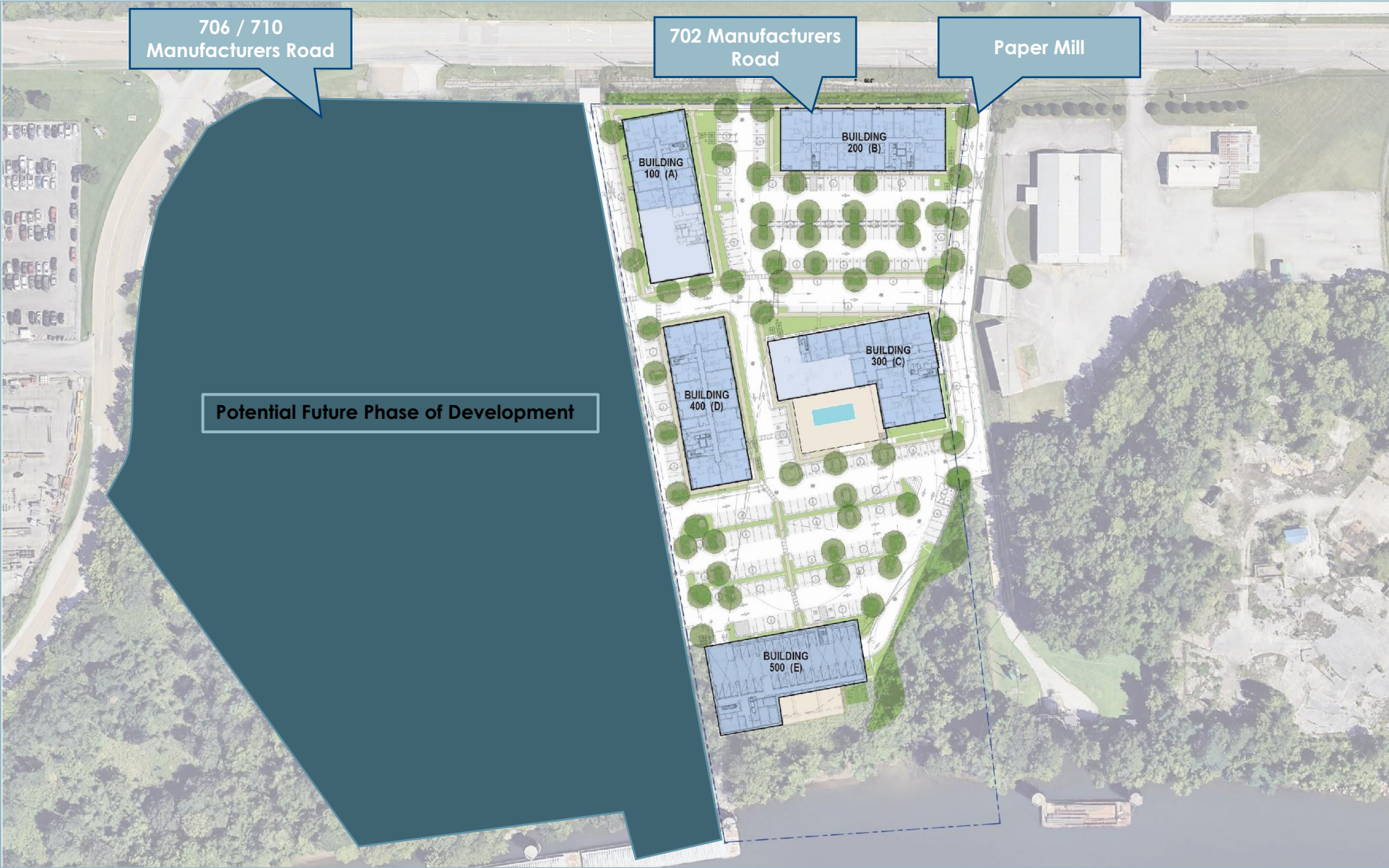


PROJECT OVERVIEW





PROJECT OVERVIEW



## PROJECT OVERVIEW

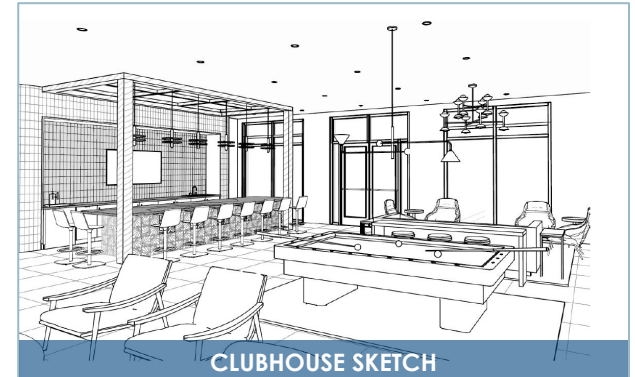
Project is fully entitled for its intended uses – Residential River View (R-RV-6) and Residential River Front (R-RF-6) – eliminating entitlement risk and allowing for an expedited development timeline. With both the land disturbance permit and land building permit currently in process, the Project is well positioned for a streamlined path to construction.

### PROPERTY HIGHLIGHTS

Address	702 Manufacturers Rd Chattanooga, TN 37405
Acreage	7.28 Acres
Potential Completion	June 2027
Buildings / Stories	Five Buildings / Four Stories
Parking Spaces / Ratio	333 spaces / 1.20 / unit

### UNIT BREAKDOWN

Studio Units (480 SF avg.)	13 (13 affordable)
One-Bedroom Units (675 SF avg.)	172 (22 affordable)
Two-Bedroom Units (1,129 SF avg.)	93 (7 affordable)
Total Units (818 SF avg.)	<b>278 (42 affordable)</b>



## BENEFITS TO THE CITY

- In collaboration with City of Chattanooga, Developer has agreed to provide additional affordable housing opportunities for Chattanooga residents.
- The Project will maintain 15% affordability, which represents a total of 42 units in the Project. But for the PILOT program, this Project would only include full market rents.
- The Project will include 32 units with rents at 60% of Area Median Income ("AMI") and 10 units at 80% of AMI, delivering 42 units with rents at a meaningful affordability level, while maintaining the quality and design expected of a premier residential development, creating lasting value for both the community and the City of Chattanooga.



### Key Benefits:

**42 Affordable Homes  
Added**

**Current Yearly Property  
Tax Income \$9,055**



**32 Units at 60% AMI**



**Construction of Paper Mill  
Road**

**Future Yearly Property  
Tax Income \$341,931**



**10 Units at 80% AMI**







## **City Of Chattanooga: Payment In Lieu of Taxes (PILOT) Annual Report to HEB**

**The Affordable Housing PILOT Program is a financial incentive designed to encourage multi-family rental development for low-to-moderate income households.**

**October 20, 2025**

Summary of Pilot Projects												
Type Development	Development Name	Developer	Property Address	30% AMI	50% AMI	60% AMI	80% AMI	Market Rate	Total Units	Estimated Investment	PILOT Start Year	PILOT End Year
Complete - In Service												
New Construction	Vue On 5th	Walk2Campus	500 Lindsay Street	0		0	13	51	64	\$7,500,000	2016	2030
Renovation	Maclellan Building	Heritage-Maclellan Apts, LLC	721 Broad Street	0		0	18	72	90	\$10,500,000	2016	2034
New Construction	Market City Center	The Simpson Organization (TSO)8	728 Market Street	0		0	25	100	125	\$28,000,000	2017	2031
New Construction	1400 Chestnut	Mount Auburn, LLC	1400 Chestnut Street	0		0	40	160	200	\$23,000,000	2017	2030
Renovation	Bayberry	Alco Properties, Inc	2300 Windsor Street	134		29	0	0	163	\$13,000,000	2018	2032
Renovation	Jaycee Towers	Housing Authority	500 W. MLK BLVD.	0		105	70	0	175	\$16,000,000	2018	2058
New Construction	Chestnut Flats	Elimington/ECG Chestnut Group, LLC	2108 Chestnut Street	87		112	0	0	199	\$22,000,000	2019	2033
Renovation	Ridgeway Apartments	Vitus Group	1230 Poplar Street	0		120	0	0	120	\$16,000,000	2019	2033
Renovation	Patten Towers	Elimington Capital	1 East 11th Street	0		221	0	0	221	\$34,000,000	2020	2044
Renovation	Campbell Ridge/ Battery Heights	Alco Properties, Inc	3401 Campbell Street	70		18	54	0	142	\$17,000,000	2022	2036
New Construction	Mai Bell II	Enterprise/CNE	1715 Union Avenue	0	2	7	26	12	47	\$5,700,000	2023	2032
New Construction	Reserve at Mtn. Pass	LDG Development	4905 Central Avenue	60		120	60	0	240	\$52,000,000	2024	2040
New Construction	Shallowford Pointe	DGA	6402 Shallowford Rd			96			96	\$32,000,000	2024	2059
New Construction	Lyerly Apartments	Enterprise/CNE	1805 S. Lyerly			4	12		16	\$3,888,500	2025	2044
			Total in Service	351	2	832	318	395	1898	\$280,588,500		
			Composition (%)	18.49%	0.11%	43.84%	16.75%	20.81%	100.00%			
Projects - Approved & Underway												
New Construction	Bailey Ave	Enterprise/CNE	2003 Bailey Ave		2	5	25		32	\$5,900,000	2025	2044
New Construction	Milltown Apartments	Enterprise/CNE	2461 E. 18th Street		2	6	26		34	\$6,612,500	2025	2044
New Construction	AIM/Espero	Espero Chattanooga LP	1815 E. Main St.	19		41			60	\$21,532,500	2025	2055
			Total in Progress	19	4	52	51	0	126	\$318,522,000		
			Composition (%)	15.08%	3.17%	41.27%	40.48%	0.00%	100.00%			
			Total All	370	6	884	369	395	2024	\$599,110,500		
			Composition (%)	18.28%	0.30%	43.68%	18.23%	19.52%	100.00%			
			Total Renovated Units		911	45.01%						
			Total Newly Constructed units		1113	54.99%						
			Totals		2024	100.00%						





## RESOLUTION: #32021

- PILOT framework ties tax-abatement directly to the affordable units being provided.
- Sets a per-unit abatement based on the difference between market-rate rent and the affordable rent.
- Market-rate rents are zip-code based, which allows the program to be tailored more closely to localized market conditions

**Adopted: March 26, 2024**





## **RESOLUTION: #28783**

**Fifty (50) percent of total units of the PILOT development must be affordable to households with incomes no greater than 80% of the Area Median Income (AMI) and located within Chattanooga City limits**

**Adopted: September 20, 2016**

# Milltown Apartments



- Information:
- Address: 2461 E. 18<sup>th</sup> Street
- Developer: Chattanooga Neighborhood Enterprise, Inc.
- Development Status: **Under development**

<b>\$6.6M</b>	<b>34</b>	<b>26</b>	<b>1/22/2024</b>	<b>12/2024</b>	<b>12/2026</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete (Target)	2025-2044 + HOME – 20 Yrs.



# Lyerly Street Apts.



- Information:
- Address: 1805 S. Lyerly Street
- Developer: Chattanooga Neighborhood Enterprise, Inc.
- Development Status: **Completed August 2025, leasing up**

<b>\$3.8M</b>	<b>16</b>	<b>12</b>	<b>3/18/2024</b>	<b>9/2024</b>	<b>12/2025</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete (Target)	2025-2044 + HOME – 20 Yrs.

# Bailey Avenue



- Information:
- Address: 2003 Bailey Avenue
- Developer: Chattanooga Neighborhood Enterprise, Inc.
- Development Status: **Under construction**

<b>\$5.9M</b>	<b>32</b>	<b>25</b>		<b>7/2024</b>	<b>12/2025</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Completion (Target)	2025-2044 + HOME – 20 Yrs.

# Shallowford Pointe



- Information:
- Address: 6204 Shallowford Rd
- Developer: DGA Shallowford PL
- Development Status: **Completed Fall 2025, leasing up**

\$32M	96	96	2/19/2024	3/2024	12/2025	PILOT Period
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete (Target)	2024-2059

# AIM - Espero



- Information:
- Address: 1815 E. Main St.
- Developer: Espero Chattanooga, LP
- Development Status: **Under development**

<b>\$21.5M</b>	<b>60</b>	<b>60</b>	<b>6/17/2024</b>	<b>9/2024</b>	<b>12/2025</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete (Target)	2024-2055

# Mai Bell II



- Information:
- Address: 1715 Union Avenue
- Developer: Chattanooga Neighborhood Enterprise, Inc.
- Development Status: *Completed 2023, in service*

\$5.7M	47	26	2/2021	6/2021	12/2023	PILOT Period
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete	2022-2031 + HOME – 20 Yrs.



# Reserve at Mountain Pass



## Information:

- Address: 4905 Central Ave
- Developer: LDG Development
- Development Status: **Completed 2024, in service**

<b>\$52M</b>	<b>240</b>	<b>240</b>	<b>2/2021</b>	<b>6/2022</b>	<b>Spring 2023</b>	<b>October 2024</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	First Building Complete	Construction Complete	2024 - 2040



# Battery Heights Apartments now Campbell Ridge Apartments Information:

- Addresses: 3401 Campbell Street
- Developer: Alco Properties, Inc.
- Development Status: **Renovations completed June 2023, name changed to Campbell Ridge Apartments**
- Compliance Status: **Compliant, per THDA/LIHTC Filing**

\$5.5 M	142	142	12/2020	9/2021	June 2023	PILOT Period
Investment	Total Units	PILOT Units	HEB Approval	Renovation Start	Renovation Complete	2022 - 2035





# Bayberry Apartments

## Information:

- Addresses: 2300 Windsor Street, 2330 Wilson Street, 1101 Arlington Avenue
- Developer: Alco Properties, Inc.
- Development Status: **Renovations Completed 2017**
- Compliance Status: **Compliant, per THDA/LIHTC Filing**

**\$12.2 M**

Investment

**163**

Total  
Units

**163**

PILOT  
Units

**10/2017**

HEB  
Approval

**1/2017**

Renovation  
Start

**12/2017**

Renovation  
Complete

**PILOT Period**

**2018-2032**



# Chestnut Flats

## Information:

- Address: 2108 Chestnut Street
- Developer: Elmington Chestnut Group, LP  
2019 transferred to Mount Auburn  
March 2022 transferred to Starwood Realty
- Development Status: **Completed 2019**
- Compliance Status: **Compliant, per 2025 Annual THDA/LIHTC Filing**



\$22 M	199	199	10/2016	6/2021	October 2019	PILOT Period
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete	2019 - 2033

# Patten Towers



## Information:

- Address: 1 East 11<sup>th</sup> Street
- Developer: Elmington/Patten Affordable Partners, LP
- Development Status: Renovation Completed 2021
- Compliance Status: **Compliant per 2025 THDA/LIHTC Filing**

	\$34 M	240	240	12/2018	2/2019	March 2021	PILOT Period
	Investment	Total Units	PILOT Units	HEB Approval	Renovation Start	Renovation Complete	2020 - 2044
						Extended by March 2021 fire	





# Ridgeway Apartments

## Information:

- Address: 1230 Poplar Street
- Developer: VITUS Group
- Development Status: **Completed Renovation 2019**
- Compliance Status: **Compliant per 2025 THDA/LIHTC Filing**

<b>\$16 M</b>	<b>120</b>	<b>120</b>	<b>9/2018</b>	<b>12/2018</b>	<b>12/2019</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Renovation Start	Renovation Complete	2019 - 2033

A large background image showing a scenic view of Chattanooga, Tennessee. In the foreground, a wide river flows. A concrete walkway with a small bridge crosses the river. In the middle ground, a grassy area with a set of wide stone steps leads up to a modern building with a glass facade. A bridge is visible in the background under a clear blue sky.

## **RESOLUTION: #27968**

**Twenty (20) percent of total units of the PILOT development must be affordable to households with incomes no greater than 80% of the Area Median Income (AMI) and located within Chattanooga City limits**

**Adopted: August 5, 2014**





# Market City Center

## Information:

- Address: 728 Market Street
- Developer: The Simpson Organization
- Development Status: **Completed New Construction 2017**
- Compliance Status: **Compliant, per review of annual report**

<b>\$28 M</b>	<b>125</b>	<b>25</b>	<b>7/2015</b>	<b>9/2015</b>	<b>9/2017</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete	2017 - 2031





# 1400 Chestnut

## Information:

- Address: 1400 Chestnut Street
- Developer: Mount Auburn
- Development Status: **2019 Completed New Construction**
- Compliance Status: **Compliant, per HCI staff review of annual report**

<b>\$25 M</b>	<b>200</b>	<b>40</b>	<b>4/2015</b>	<b>11/2016</b>	<b>8/2019</b>	<b>PILOT Period</b>
Investment	Total Units	PILOT Units	HEB Approval	Construction Start	Construction Complete	2017 - 2030



# Maclellan Building

## Information:

- Address: 721 Broad Street
- Developer: Heritage-Maclellan
- Status: **Completed Renovation 2017**
- Compliance Status: **Compliant, per HCI staff review October, 2025.**

	\$10 M	89	18	4/2015	6/2015	7/2017	PILOT Period
Investment		Total Units	PILOT Units	HEB Approval	Renovation Start	Renovation Complete	2016 - 2034





# Vue On 5<sup>th</sup>

## Information:

- Address: 500 Lindsey Street
- Developer: Walk2Campus
- Development Status: **Completed New Construction**
- Compliance Status: **Compliant with all 13 units, per HCI staff review October 2025.**

\$7 M	64	13	2/2015	6/2015	9/2019	PILOT Period
Investment	Total Units	PILOT Units	HEB Approval	Renovations Start	Renovations Complete	2016 - 2030



# Jaycee Towers



## Information:

- Address: 500 West M.L.K Boulevard
- Developer: Wishrock Group/ PILOT via State of TN
- PHA Statue
- Development Status: **Completed Renovation**
- Compliance Status: **Project through the Chattanooga Housing Authority (CHA)**

**2017**

Start Year

**\$16M**

Investment

**175**

Total Units

**175**

PILOT Units

**2057**

End Year

						Net Cost of PILOT				
Company Name	All Tax Abated Properties Addresses	State Map No.	Year Beginning	Year Ending		City	County General	County Schools	Economic Dev. Fee	Total Cost of PILOT
HEALTH, EDUCATION AND HOUSING FACILITIES BOARD										
MA 1400 CHESTNUT LLC		145F-J-003; Per 048861	2017	2030		264,821	149,701	-	-	414,522
ALCO WOODLAWN PARTNERS, LP (BAYBERRY APARTMENTS DEVELOPMENT)	2300 Wilson Street; 1101 Arlington Avenue and 2300 Windsor Street	146D-A-001; 146D-A-009; 146D-D-003; Per 10051748	2018	2032		-	-	-	-	-
APP BATTERY PARTNERS, LLLP	3401 Campbell Street	128P-N-003; Per 10060864	2022	2036		17,511	9,899	-	-	27,409
CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC BAILEY PARK RESIDENTIAL PROJECT	2003 Bailey Avenue		2025	2044						
CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC MAI BELL 2 RESIDENTIAL PROJECT	1715 Union Avenue	146J-P-010; Per 10063234	2023	2032		34,822		-		54,507
ECG CHESTNUT, LP	2108 Chestnut Street		2019	2033		183,198	103,560	-	-	286,758
HERITAGE-MACLELLAN APARTMENTS, LLC	721 Broad Street	145CB-A-005; Per 051475	2016	2034		78,946	44,627	-	-	123,573
PATTEN AFFORDABLE PARTNERS, LP	1 East 11th Street	145D-X-007; Per 10055812	2020	2044		53,839	30,434	-	-	84,273
RESERVE AT MOUNTAIN PASS	4905 Central Avenue	167F-A-003; Per 10066955	2024	2040		184,540	99,885	12,898	-	297,323
RIDGEWAY HOUSING PARTNERS, L.P.	1230 Poplar Street	145F-A-005; Per 10054385	2019	2033		47,186	26,674	-	-	73,860
SHALLOWFORD POINTE (DGA SHALLOWFORD LP)										
TSO CHATTANOOGA DEVELOPMENT, LP	700 Market Street	145DA-D-010; Per 048428	2017	2031		163,832	92,613	-	-	256,445
UTC FIVE, LLC	500 Lindsay Street	135M-G-008; Per 048858	2016	2030		57,926	32,745	-	-	90,671
CHATTANOOGA HOUSING AUTHORITY										
RIVERVIEW HOUSING ASSOCIATES, L.P. (JAYCEE TOWER)	500 W. MLK Blvd	145C-B-007; Per 10052783	2018	2028		62,842	35,524	(24,037)	-	74,329
						1,149,463	625,661	(11,139)	-	1,783,670
NOTE: PILOT agreements for companies shaded in BLUE have been approved by each of the County and City legislative bodies, but the agreements have not become effective as of Tax Year 2024										





# City Of Chattanooga: Affordable Housing Fund

The Chattanooga Affordable Housing Fund (CAHF) leverages Federal, State, and private dollars to incentivize expanded availability of and access to affordable rental and homeownership for households in Chattanooga, earning up to 120% of area median income (AMI).

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Funding is made available for:

- Creating or preserving affordable rental units and housing for homeownership
- Increasing access to homeownership through collaborative homebuyer programs,
- Providing resources to assist vulnerable households in accessing and or retaining housing
- Leveraging funding by working with for-profit and nonprofit entities - home builders, Realtors, foundations, financial institutions, etc., and
- Exploring various tools to achieve the desired outcomes, including but not limited to: policy changes, providing access to resources to assist with wealth building and retention, reducing, and eliminating barriers to producing/preserving/ or accessing affordable housing.

# City Of Chattanooga Affordable Housing Fund (CAHF)

## Funded Activities



APPLICANT	Amount	PROJECT	PURPOSE	APPROVAL DATE	STATUS
Chattanooga Housing Authority	\$400,000	Emerald Village Renovation	Preserve 44 units of affordable housing	8/28/2019	Complete 2020
Habitat for Humanity	\$196,546	Sites for Development of Homeowner Housing	Acquisition of 15 lots in Village at Alton Park	8/28/2019	Acquisitions complete 9 homes constructed
CALEB	\$25,000	Study	Exploring potential for community land trusts	1/22/2020	Complete
Adamson Developers	\$240,000	Affordable Rental Development	Construction of 12 rental units in E. Chattanooga	5/6/2022	Project stalled, funding rescinded
Chattanooga Neighborhood Ent.	\$55,000	Study	Housing Affordability Analysis	6/27/2022	Complete
Chattanooga Neighborhood Ent.	\$500,000	Affordable Rental Development	Construction of 24 units at 621 E. ML King	5/6/2022	Completed 2025, in service
Total	\$1,416,546				

# Thank You

**Department of Economic Development**  
**Housing & Community Investment Division**

