



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD
City of Chattanooga, Tennessee
MONTHLY MEETING MINUTES
Virtual Electronic Zoom Meeting
for
December 16, 2020
12:02 p.m.

Present were Board Members: Hicks Armor (Chair), Gregg T. Gentry (Vice-Chair), Lloyd Longnion, Richard Johnson, Amanda Jelks (Secretary), and Stephanie Sinkfield. Nicole Watson was inaudible.

Also present were Phillip A. Noblett (City Attorney); Donna Williams and Sandra Gober (ECD); Berkeley Burbank and Thomas Robinson (Alco Management); Mark Smith (Miller & Martin); and Mike Pare (Times Free Press).

Mr. Armor called the meeting to order, confirmed the meeting advertisement, and established that a quorum was present.

MINUTES APPROVAL FOR THE OCTOBER 28, 2020 MEETING

On motion of Mr. Gentry, seconded by Ms. Jelks, the minutes of the October 28, 2020 meeting, were approved by roll call vote 5-0.

There was no person present wishing to address the Board.

Mr. Armor presented the next order of business: **“A RESOLUTION AUTHORIZING THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, TO TAKE TITLE TO CERTAIN REAL AND PERSONAL PROPERTY, TO EXECUTE A LEASE AGREEMENT TO LEASE SUCH PROPERTY TO APP BATTERY PARTNERS, L.L.P. (THE “COMPANY”) FOR OPERATION OF A MULTI-FAMILY HOUSING FACILITY, AND TO ENTER INTO AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES WITH THE COMPANY.” (HEB2020-08)**

INTRODUCTION

Ms. Donna Williams stated there are two representatives from Alco Management, Berkeley Burbank and Thomas Robinson, and are prepared to give the presentation that was given to the City Council. Mr. Burbank stated that Alco is excited about this project and appreciates the Board approving the bond resolution last month. The PILOT is a critical part of the financing of the property. Mr. Robinson has an overview and a slide about the company and development project.

Battery Heights Apartments is located at 3401 Campbell Street, Chattanooga, TN, Council District 9, County District 5, and Alco is proposing renovations of the property. The PILOT request is through the Residential Housing PILOT Program which freezes City taxes and County general fund taxes at the pre-development level. There is the County school tax increase to the post development level and ten years fixed, plus four year ramp up, which equals a 14-year PILOT term.

Alco manages 61 affordable properties, six properties are within a 45 minute drive of Battery Heights (one in Chattanooga, three in Cleveland, TN, and two in North Georgia). The redevelopments are of 48 affordable properties improving over 5,000 apartments reserved. Alco focuses on the redevelopment of properties for the last 20 years. Alco has given thousands and thousands of families safe and affordable homes.

In 2016, there was the redevelopment of Bayberry Apartments. Bayberry is 100% affordable, Section 8 property; 76% occupied when acquired by Alco; currently 99% occupied with a two year plus waiting list; and 2019 City Council proclamation services/community with on-site staff and non-profit organizations with a focus on a resident services program.

BATTERY HEIGHTS APARTMENTS OVERVIEW

Battery Heights is a little different as a mixed income preservation:

- 60% with a Section 8 contract
- Preserve rental assistance of 88 units, most residents below 40% AMI (\$29,000 – family of four)
- Workforce housing 54 units (all residents below 80% AMI (\$58,000 family of four) which will have a new affordability restriction, currently do not have, with a 30-year use restriction commitment for affordability at the property
- The property is 50 years old
- \$5.5 million in rehab (\$37,000 per unit)
- Upgrade kitchen and bathroom systems, roofs, windows, and siding, energy efficiency (new HVAC, water heater, lighting, appliances, plumbing fixtures, and insulation, etc.) with the first significant renovation. Every apartment will have some improvement, unless there was improvement previously.
- Rent – on the Section 8 units the tenant’s rent varies depending on income, which averages out to \$250 to \$350 per month. Some will be lower, some will be higher based on their income. On the workforce housing units, Alco is proposing rents at \$650 for a one-bedroom unit, \$800 for a two-bedroom unit, and \$875 for a three-bedroom unit.

Alco is a resident focused company. Alco does an occupied renovation wherein residents do not have to move. Alco has communication between contractor/management/resident. All previous 48 properties were tenant occupied during renovation. Resident services and amenities – service coordinator in staff and upgrades for computer lab, fitness center, and playground, and no upcharge.

There is a 12-month construction period. Alco understands the inconvenience of the renovations. There is communication between the staff and tenants. Alco has a standard transfer policy for any tenant who wishes to transfer to another apartment due to the renovations but work with the residents.

Mr. Burbank stated the Council’s vote was 8-1. The tough questions were asked in the Agenda Session. There was conversation regarding the renovation process similar to the HEB. Ms. Williams stated that three Council members had questions relating to cameras and security, and Alco gave information then and the next day in detail which was sufficient for the Council members. Ms. Williams does not know the reason for the opposition.

Mr. Noblett states that in District 9 no short term vacation rentals may be permitted to operate on any property which is part of the Affordable Housing Project. That was discussed on the front end and is part of the record.

After further discussion, a motion was made by Mr. Gentry, seconded by Mr. Johnson, that this PILOT resolution be approved, and was unanimously passed with a roll call vote of 6-0.

OTHER BUSINESS

Term Expirations.

Mr. Longnion stated that he received a letter that his term was expiring February 3, 2021. Four members of the Board have that deadline date. Ms. Williams pleaded that the Board members continue: (1) learned a lot about the technical aspects of the HEB and of the various things that come before the Board; and (2) certainly have made the process a lot better because of the thoughtfulness about the responsibilities performed.

Mr. Noblett stated that the HEB is a separate corporation created under T.C.A. Section 48-101-307 and that the elector serve until their position is filled. The Council wants the HEB as well as the IDB to have a nine-member board which will result in a Charter amendment.

Remote Meetings Expiration.

Mr. Armor asked about the Governor’s Executive Order on remote meetings. Mr. Noblett stated that the Governor’s Executive Order No. 65 expires December 27, 2020. We have been receiving information that the date will be extended which may not be known until a week or two weeks prior. Mr. Armor asked the Clerk to send the Board a listing of the 2021 meeting dates.

COVID – Eviction Moratorium.

Ms. Williams stated that the CDC has an eviction moratorium that expires December 31, 2020. Folks who have been impacted by COVID cannot be evicted for non-payment. There is hope that the date will be extended, however, no date at this time. There is a possible way to provide additional assistance to those impacted (loss of jobs, reduced hours) by COVID (some of which since March 2020). An earlier January meeting may be necessary for assistance. The City and other agencies are researching different funding sources which allow assistance. Mr. Armor asked that if the Board can give assistance, to let them know.

There being no further business, the meeting adjourned at 12:35 p.m.

Respectfully submitted,

Amanda Jelks

[Amanda Jelks \(Jan 27, 2021 16:22 EST\)](#)

Amanda Jelks, Secretary

APPROVED:

Hicks

[Hicks Armor \(Jan 27, 2021 16:16 EST\)](#)

Hicks Armor, Chair

**The electronic Zoom presentation is kept on record by the Health, Educational, and Housing Facility Board.*









12-16-2020 Minutes

Final Audit Report

2021-01-27

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