



**November 12, 2021 Regular Meeting
MINUTES**

**Decatur City Hall
City Commission Meeting Room
509 North McDonough Street**

Members Present: Darren Comer, Linda Curry, David Harry, Tony Leung, Conor McNally (Chair), Noah Peeters, Lisa Turner

Staff Present: Shirley Baylis, Linda Harris, Angela Threadgill, and Kyle Williams

1. **Call to Order** at 8:00 a.m. Mr. McNally welcomed everyone to the in-person meeting and stated the mission and purpose of the DDA.

2. **Old Business.**

- A. Approval of Minutes of Executive Session and Regular Meeting of September 10, 2021.

On a motion by Ms. Turner, seconded by Mr. Harry, the minutes of the Executive Session and Regular Meeting of August 13th were unanimously approved as drafted.

3. **Agenda Action Items.**

- A. **230 Commerce Drive Development Agreement.** Recommend adoption of Resolution authorizing the Chair to execute a development agreement with Atlanta Neighborhood Development Partnership for the development project at 230 Commerce Drive and commit financial support of the project in an amount not to exceed \$200,000.

Ms. Threadgill stated that on behalf of the DDA, she started conversations with potential development partners for the DDA's cottage court project on land owned by the DDA at 230 Commerce Drive. ANDP, a non-profit affordable housing developer with experience developing single family residential properties and has the resources to carry out the project. ANDP also has the experience of working with local land trusts in their projects, such as the Decatur Land Trust.

Ms. Threadgill provided a background of the cottage court pilot project. The DDA acquired the ½-acre site in 2016 for the purpose of developing a cottage court model. Cottage courts were allowed by the code for a couple of years, yet developers were not yet willing to build this housing type over townhomes, often saying there was a "lack of desire," or "not a market."

Bruce Tolar, architect from Ocean Springs MS was hired to lead a design charrette with the community. After a multi-day charrette with abutting neighbors, the neighborhood, and the larger community, a six-cottage site plan and conceptual cottage designs were selected to move forward. DDA applied and received a rezoning for the property, site plan approval, and historic district

approval. More recently have received GDOT approval for the curb cut and right-of-way improvements.

In addition to showcasing the cottage court model, the DDA also wanted to establish long-term housing affordability for Decatur's workforce to promote economic growth. The project has been marketed to employees of CSD, COD and DHA to own the cottages with quite a lot of interest, though the DDA with assistance from the Decatur Land Trust will need to revisit since much time has passed since the initial outreach.

To ensure long-term affordability and assist in finding qualified buyers, the Decatur Land Trust would be a partner once the development project is complete, ultimately holding ownership to the land and issuing ground leases to the cottage owners. Deed restrictions would also be in place to restrict income levels of buyers and future buyers thereafter.

The DDA started an RFP/RFQ process to find a builder. A builder was selected and an agreement was close to being reached, but the builder fell into financial difficulties in another project that prevented them from committing to the cottage court project.

Ms. Threadgill confirmed that the DDA is the owner of the property and was able to purchase the property in the amount of \$180,000 with a grant from the City of Decatur. There is no financial obligation to the City. The City's expectation is that the DDA would complete the development project as approved in the Intergovernmental Contract.

Jay Perlmutter, Director of Single Family Development for ANDP, and Jim Cheeks, CEO of Fortas Homes, were in attendance to give a powerpoint presentation.

Mr. Perlmutter provided an overview of the ANDP's mission, their 25-year goal of constructing at least 500 affordable single-family homes by 2025, and their current Metro-Atlanta reach of projects. He stated the cottage court development project would be constructed according to plans previously entitled by the DDA and the City, including 6 single-family homes, of which one is a 1-Bedroom, one is a 2-Bedroom, and four are 3-Bedroom homes, ranging from 528 to 1,117 square feet, with an Estimated Sales Price of \$199,000 - \$275,000. ANDP proposes to provide Down Payment Assistance for qualifying buyers. Metro Atlanta's median home sales price (July 2021) was \$336,000.

Mr. Cheeks stated Fortas Homes has been building in Metro Atlanta for more than 20 years. During the last five years they have focused the company exclusively on building affordable housing, primarily by building smaller homes. Fortas Homes has completed innovative projects including the Cottages on Vaughn with MicroLife Institute, Accessory Dwelling Units and numerous homes below 1,000 SF. Mr. Cheeks stated he is the current President of the Greater Atlanta Home Builders Association's Inner Atlanta Chapter and active with local governments advocating for better policy around housing through zoning reform.

Ms. Threadgill stated the framework of the development agreement would be for ANDP to purchase the property from the DDA with seller financing. As such, the loan from DDA protects DDA's interest in the development and ensures all terms of the agreement are met. ANDP would finance the development with equity to be repaid with proceeds from sale of the cottages. ANDP would provide capital at direct cost (no financing expense) and would partner with Fortas Homes to construct the units. ANDP would earn a developer fee and this fee will be included in the development budget. ANDP would sell the cottages to qualified homebuyers identified by the Decatur Land Trust (DLT) and concurrently transfer the underlying land to the DLT. ANDP would work with the DLT to develop a selection criteria for homebuyers. Finally DDA would

release their loan from acquisition at no cost to ANDP provided all terms of the agreement are met.

Mr. Perlmutter stated that ANDP is requesting up to \$200,000 in financial funding from the DDA to cover the gap in the development project related to construction costs. Ms. Threadgill stated the draft agreement provides a section on this funding request for the Board's consideration.

In response to a question from Mr. McNally, Mr. Perlmutter responded that the construction start date is anticipated for March, pending a January acquisition date and permit approvals. He added that construction pricing is very fluid and ever changing, but that they seek to lock the pricing in 1st quarter of 2022.

In response to a question from Ms. Curry, Mr. Perlmutter responded that delivery of the cottages is anticipated to be in the second half of 2022, but 1st quarter of 2023 is likely.

In response to a question from Mr. Comer, Ms. Threadgill stated that the DDA has submitted an application for land disturbance permit and is currently under review. However, the general contractor and developer information will be required prior to issuance.

Ms. Threadgill stated that the action asked of the DDA today was to authorize the Chair and Executive Director to negotiate and finalize the details of the draft development agreement and authorize the Chair to execute said final agreement on behalf of the DDA Board.

The Board members commented that a development project schedule and development project budget be referenced and included as Exhibits to the agreement.

Mr. McNally added that there should be specific language in the agreement that limits significant changes in the project budget and that the Board be made aware of significant changes.

Mr. Comer requested that at a minimum quarterly updates be given to the Board on the progress of the project.

On a motion by Mr. Peeters, seconded by Ms. Curry, a Resolution authorizing the Chair to execute a development agreement with Atlanta Neighborhood Development Partnership for the development project at 230 Commerce Drive and commit financial support of the project in an amount not to exceed \$200,000 were unanimously approved with the additional Exhibits of a project schedule and project budget.

4. Reports and Other Business.

A. Downtown Programs Update. Ms. Baylis provided an update on the Decatur Retail Incubator Program (DRIP), the upcoming "spend \$200, receive a \$50 gift card" program, Terrific Thursdays starting in November, the Menorah lighting event, tree lightings on the Square and West Ponce, the Small Business Saturday Proclamation by the Mayor and Small Business Saturday programming, a recent consultant who provided training and served as a Secret Shopper with positive feedback, business openings, and that the holiday décor installation will be delayed due to labor shortages.

B. Presentation of Holiday Ornament. Ms. Linda Harris presented the 2021 Holiday Ornament and shared that a limited number will be available for purchase at select downtown retailers, including Wild Oats and Billy Goats.

C. 2022 Meeting Schedule. Ms. Threadgill presented a draft schedule.

On a motion by Mr. Harry, second by Ms. Curry, the Board approved the 2022 Meeting Schedule as drafted.

D. Next regular scheduled meeting is December 10, 2021 at 8:00 a.m.

5. Adjourn.

There being no further business, on a motion by Ms. Turner, seconded by Mr. Peeters, the Board adjourned the meeting at 9:02 a.m.

Consistent with the requirements of O.C.G.A. §50-14-1(e)(2)(B) these minutes were approved at the next scheduled meeting on December 10, 2021 and made part of the record.

Angela Threadgill, Executive Director