



CITY OF CHATTANOOGA
Mayor Andy Berke

City of Chattanooga

Department of Economic & Community Development

2020 – 2024 Five-Year Consolidated Plan and 2020 – 2021 Annual Action Plan

FINAL

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Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

As an eligible participating jurisdiction (PJ), the City of Chattanooga receives grants (entitlement funds) from the U.S. Department of Housing and Urban Development (HUD) on an annual basis. These include Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). Emergency Solutions Grant (ESG) funds are received from the State of Tennessee through Tennessee Housing Development Agency (THDA). The funds are made available to assist in developing and maintaining a viable urban community, inclusive of low- and moderate-income citizens, through providing decent housing, a suitable living environment, expanded economic opportunities, and programs that address the needs of homeless and near homeless persons.

Community Development Block Grant (CDBG)

The primary objective of the CDBG program is to develop viable urban communities. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.

HOME Investment Partnership Program (HOME)

The HOME program provides funds for improved access to affordable rental and ownership housing for low and moderate-income households. HOME funds can be used for activities that promote affordable rental housing and homeownership, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

Emergency Solutions Grant (ESG)

A grant program designed to provide essential social services to homeless individuals, to help prevent homelessness, help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, and to meet the costs of operating shelters.

Due to shifts in population thresholds related to the American Community Survey (ACS) data, the City is not eligible as a participating jurisdiction (PJ) for ESG. Because of this the City cannot receive a direct allocation of ESG funding from HUD for program year 2020 – 2021, and possibly for several years beyond. The grant is incorporated in the Plan’s resources and associated goals because the City can receive ESG funding from the State. The State’s recipient of ESG funds, THDA, has included Chattanooga in its list of cities eligible for a set-aside portion of their allocation. Historically, when this has occurred, THDA has, at minimum, endeavored to provide the same level of funding the City would have received from HUD.

Purpose of the Consolidated Plan

HUD requires that participating jurisdictions (PJ) receiving federal entitlement funds complete a Consolidated Plan every three to five years that describes the PJ’s affordable housing and community development priorities and multiyear goals, based on a needs assessment and market conditions analysis. The purpose of this Consolidated Plan is to provide guidance for decisions regarding the use of these federal funds.

The Consolidated Plan is carried out through annual Action Plans, which provide a concise summary of actions, activities, and the specific federal and non-federal resources that will be used each year to address priority needs and specific goals identified by the Consolidated Plan.

The City of Chattanooga Five-Year Consolidated Plan consolidates into a single document the planning and application requirements for receipt of the entitlement funds over the five years, and an Action Plan for the first year of the Plan. The City of Chattanooga Department of Economic and Community Development (ECD) is the lead agency responsible for the development and implementation of this Plan.

This Plan consists of a five-year strategic plan outlining the proposed use of the funds, with goals and objectives for fiscal years (program years) 2020 – 2024 and the Annual Action Plan for FY 2020 – 2021. Sections in the Plan cover housing and homeless needs, analysis of the housing market, the 5-year strategy to address community needs, expected resources, a 1-year Action Plan, and accompanying documentation outlining citizen participation and public comments.

The Plan builds on the City’s previous Consolidated Plan issued in 2015 and other local plans and initiatives that support the five-year objectives. As required by regulations, the strategies and projects outlined in this plan are intended to benefit low and moderate-income residents, improve neighborhoods with high concentrations of low- and moderate-income residents and thus positively impact the city as a whole. Strategies will coordinate with other federal and state grant programs and local initiatives to meet the objectives outlined in the Plan.

Resources

The following chart shows historic funding and the anticipated funding expected to be available to address needs identified in the Plan. It should be noted that entitlement funding allocations vary from year to year, thus the estimated five-year allocation is solely based on the allocation for the first Program Year.

FUNDING HISTORY AND FUNDING AVAILABLE FOR FISCAL YEARS 2020 2024					
CON PLAN YEARS	CDBG	HOME	ESG	TOTAL	% CHANGE
2001 – 2004	\$12,330,000	\$6,541,861	\$438,413	\$19,310,274	-
2005 – 2009	\$9,557,826	\$5,820,413	\$419,711	\$15,797,950	18.2% ↓
2010 – 2014	\$8,506,999	\$4,478,595	\$508,703	\$13,494,297	14.6% ↓
2015 - 2019	\$8,175,650	\$3,675,037	\$733,102	\$12,581,789	6.8% ↓
2020 – 2024 (Estimates)	\$7,981,200	\$4,236,180	\$802,500	\$13,019,880	-
2020 - 2021	\$1,596,240	\$847,236	\$160,500	\$2,603,976	-

It is not expected that the Entitlement Funds alone will be sufficient to address the proposed goals presented in the Plan. As funding from HUD continues to decline the City will have to rely more and more on local resources and partners to achieve the goals and objectives in the Plan.

In the most recent years, with general fund dollars, the City has supported many initiatives that align with objectives outlined in the previous Consolidated Plan. These include, but not limited to:

- the Chattanooga Affordable Housing Fund and the Payment in Lieu of Taxes (PILOT) programs to provide additional resource for the preservation and production of affordable housing;
- the Homeless Services Division and the Chattanooga Interagency Council on Homelessness to plan, coordinate, and accelerate the city’s response to ending homelessness;
- the Office of Family Empowerment to empower families toward self-sufficiency;
- the Career Preparation Center and Chattanooga Dream to assist with developing employment tools and skills needed for job growth and economic mobility; and

- the Growing Small Business Incentive Grant, Innovation Grant, and Renewing Chattanooga Grant - all to encourage economic development through business creation or expansion.

It is expected that local resources will continue to be made available for such initiatives because they are based on addressing needs articulated in other City and local plans.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

Through community and stakeholder input and completion of a needs assessment and a market analysis, six priority needs and twelve goals for the five-year Consolidated Plan period.

Priority Needs

- Affordable Housing
 - Expand Affordable Housing Opportunities
 - Preserve Existing Affordable Housing Units
- Non-housing Community Development
 - Blight Elimination
 - Public Facility and Infrastructure Improvements
- Homeless Services
 - Housing/Services for the Homeless/At-risk
- Non-Homeless Services
 - Public Services
- Economic Development
 - Reduce Poverty/Expand Economic Opportunity
- Planning and Administration

Under these priority needs, a range of goals, objectives and outcomes were formulated to address needs identified for homelessness, housing, non-housing community development, barriers to affordable housing, lead-based paint hazards, special needs, and economic development. These include:

- Increase access to and supply of affordable rental housing for the City's low- and moderate- income households.
- Increase access to affordable homeownership opportunities for City residents.
- Increase the viability for potential homeownership opportunities.

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- Increase the number and types of newly constructed, or renovated homes available on the affordable housing market.
- Improve the condition of housing for low-income renters and homeowners.
- Preserve existing affordable housing stock.
- Provide housing and services to special needs populations, including low-barrier housing for homeless.
- Continue to collaborate with homeless providers to supply a continuum of services.
- Support services aimed at the prevention and elimination of homelessness.
- Provide funding for public/facility improvements, strategically coordinated with housing and community revitalization activities.
- Promote economic development activities by supporting businesses and individuals engaged in economic development activities.
- Improve access to information about affordable housing.
- Address zoning and other regulations that are counterintuitive to the preservation and production of affordable housing.
- Eliminate housing discrimination and bias toward affordable housing
- Address blight and disinvestment -help stabilize and restore the quality of life and housing conditions in low income neighborhoods by alleviating danger from properties that are a threat to public health, substandard, and/or vacant.
- Convert blight to productive property

These goals are supported by the following associated objectives and performance goals. Priority needs are described in detail in Section SP-25 of this plan and the goals, including expected outcomes, are described in Section SP-45.

The analytical parts of the document draw from the 2019-2020 Community Surveys and updated CHAS data provided by HUD. Other data sources include the United States Census and information gathered locally: including, *The 2019 Housing Connections Report – Recommendations for a Way Forward*, the 2018 Homelessness Action Plan, data from public input processes, and surveys of citizens and service providers used to assist in prioritizing needs.

Five Year Goals for FYs 2020 - 2024			
Goal	Period	Funding	Outcome - Indicator
Increase Affordable Housing Opportunities – <i>Creation/preservation of affordable housing including new construction, rehabilitation, down payment assistance, rental assistance, and education.</i>	2020 - 2024	CDBG \$3,014,960 HOME \$3,812,562	50 Homeowner units added 400 Rental units constructed/developed 500 Rental units renovated/preserved 250 Homeowner units renovated 25 Households assisted with home purchase
Provide Public Services <i>Housing and housing related services for extremely low- to moderate income households</i>	2020 - 2024	CDBG \$250,000	10,000 Assisted with housing connection and stabilization services, tenant-based rental assistance/rapid re-housing, homebuyer education counseling, and Fair Housing education
Provide Services and Housing for Homeless	2020 - 2024	ESG \$742,313	Assist with tenant-based rental assistance/rapid-re-housing, provide assistance through overnight shelters, and assist with providing services to prevent homelessness
Increase Employment Opportunities	2020 - 2024	CDBG \$1,620,000	Jobs created/retained:180 Jobs Businesses assisted: 45 Businesses Assisted
Community Dev:	2020 - 2024	CDBG: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income

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Public Facilities & Infrastructure Blight Elimination		\$500,000	Housing Benefit: 63,867 Persons Assisted
Grant Administration	2020 - 2024	CDBG \$1,596,240 HOME \$423,618 ESG \$60,187	Effective and efficient implementation of CDBG, ESG, and HOME funding requires adequate resources for program planning and administration

3. Barriers to affordable housing

Preservation and Production

As growth inevitably occurs, new development has the potential to bring about positive change and improvements for neglected neighborhoods. However, an unintended outcome of this change may be the loss of character and cultural resources, along with rapidly rising property values. These negative aspects may evolve into displacement and demolitions.

In the final months of 2019, dozens of committed Chattanoogaans invested time, energy, and knowledge in sessions at the Housing Connections Conferences, and weeks thereafter, to help answer an important question: how will we be able to make room for everyone in our growing city? From the conferences came seven teams of dedicated citizens committed to helping to find solutions.

From their efforts came ***The 2019 Housing Connections Report – Recommendations for a Way Forward***. The report outlines critical housing gaps and potential new strategies and tools to address the City’s affordable housing barriers and challenges. These are encompassed under the following:

1. Expand Affordable Housing Supply
2. Low-Barrier Housing for the Homeless
3. Dedicated Funding for Affordable Housing
4. Increase and Diversify Housing Types
5. Improve Access to Information about Affordable Housing
6. Eliminate Housing Discrimination and Bias Toward Affordable Housing
7. Address Blight and Disinvestment

While the members of these teams worked independently, it came as no surprise that many of the recommendations they reached had a lot in common. We need to utilize Chattanooga's growth to find more consistent resources for developing housing. We need to balance need for more density and different housing types with our neighborhoods' distinctive character. And we need to work across sectors and siloes to collaborate in new ways.

City of Chattanooga Analysis of Impediment to Fair Housing Choice

In conjunction with the Consolidated Plan, every five years, the City of Chattanooga is required to conduct an Analysis of Impediments to Fair Housing Choice, or AI. The AI analyses the barriers to fair housing choice, including intentional actions, and unintended consequences of public and private market forces that limit housing opportunities for individuals and families based on protected classes.

Public and stakeholder input came in various forms, including qualitative and quantitative surveys, anecdotal conversations, public meetings, and focus groups conducted over the past couple of years. Countless meetings supplied information from the public and stakeholders, including Area 3 Planning meetings, CARTA Redesign meetings, and Community Development meetings. In addition, input came from the City's Fair Housing Conference, where 125 people were in attendance, and discussions with several of the City's housing partners and advocacy groups, including, LaPaz, Southeast Tennessee Development District, and the Chattanooga Homeless Services Program.

Through the data and input, the following impediments were identified:

Impediment 1: Minorities are more likely to be economically disadvantaged and live in areas where they have less access to economic opportunities.

Impediment 2: Minority children and children with English language barriers live in areas that limit access to a quality education.

Impediment 3: Low income persons with disabilities, minorities, and people with English language barriers have disproportionately fewer housing choices.

Impediment 4: Neighborhoods with a high concentration of minorities and poverty are not neighborhoods of choice, with higher rates of blight and crime, and less access to jobs, public transportation, and neighborhood services.

Impediment 5: Fair Housing education and advocacy are not widespread.

4. Summary of funding recommendations for FY 2020 - 2021

FY 2020 – 2021 FUNDING RECOMMENDATIONS			
Agency	Recommended Funding	Fund	Project
CD Administration	\$394,300	CDBG	To cover general expenses related to administrating, managing, and monitoring CDBG funded projects/programs/activities.
CD Administration	\$133,823	HOME	To cover general expenses related to administrating, managing, and monitoring HOME funded projects/programs/activities.
Community Development - Section 108 Debt Service	\$336,000	CDBG	Section 108 loan debt service retirement.
Dept. of Economic and Community Development	\$600,306	CDBG	Housing Assistance and Preservation
Chattanooga Community Housing Development Org.	\$250,000	CDBG	Roofing Program
Chattanooga Neighborhood Enterprise	\$250,000	CDBG	Home Rehab Loan Program
Family Promise	\$25,000	CDBG	Homeless Stabilization Case Management
Habitat for Humanity	\$75,000	CDBG	Neighborhood Development Home Repair Program
Dept. of Economic and Community Dev.	\$1,077,313	HOME	Affordable Housing Preservation and Production
Catholic Charities	\$10,950	CDBG	The Home Place Roof Replacement
Chattanooga-Hamilton County Health Department	\$30,000	CDBG	Emergency Assistance Program
Community Housing Development Org Set Aside	\$127,100	HOME	Required Set Aside for Affordable Housing Development

5. Evaluation of past performance

The City of Chattanooga has a long history in successfully utilizing HUD funds, particularly the Community Development Block Grant, HOME Investment Partnership Program, and the Emergency Solutions Grant, to address targeted needs in the community.

HUD conducts an annual Consolidated Plan end-of-year review of the most recent year-end performance by the City Chattanooga, and provides a report with the results for each review. Additionally, the HUD Secretary determines that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. The most recent review, received December 20, 2019, indicates the City of Chattanooga is in compliance with all requirements.

The City’s performance has been consistent with the goals, objectives and priorities in the City’s annual plans and the five-year Consolidated Plan. Highly leveraged with local funding and

resources, activities undertaken have improved housing conditions for owner-occupants and renters, created homeownership opportunities, assisted the homeless, eliminated blighting conditions, enhanced or improved services, and provided infrastructure and public facilities in lower income neighborhoods.

For the past strategic plan, the City has been able to meet, surpass, or address many of the challenges, goals, and objectives outlined in the Consolidate Plan and Action Plan but has been challenged with realizing the anticipated goals for increased access to affordable housing and the preservation and production of affordable housing. Like many cities nation-wide, the City is challenged with finding solutions and adequate resources to address the overwhelming and growing need for safe, decent affordable housing.

With resources shrinking, collaborative efforts are even more critical to accomplishing not only the housing-related goals, but the other goals also. The City continuously works to identify additional resources to accomplish the Consolidated Plan goals as they are tied to sustainability for those who need it the most.

The City has and will continue to address this challenge using CDBG and HOME funds, along with other City-initiatives such as the Chattanooga Affordable Housing Fund and the Payment in Lieu of Taxes (PILOT) program. These are tools that have been available to incentivize partnerships that result in greater leveraging of resources and increased production and preservation of housing units and housing services.

The following table summarizes goals and outcomes as of June 30, 2019. Details of past performance can be found in the City's Consolidated Annual Performance and Evaluation Reports (CAPERs).

Community Development Goals	2015 -2019 5 – Year Goals	Annual Goals	Progress Years 1 – 3	Progress Year 4 (2018-19)	Progress To Date Total	Achievement (Shortfall)
Preservation of Homeowner Units	1305	261	365	145	510	(795)
Production of Homeowner Units	50	10	29	1	30	(20)
Preservation of Affordable Rental	190	38	484	122	606	416
Production of Affordable Rental	1107	221	94	241	335	(772)
Homebuyer Assistance	100	20	20	3	23	(77)
Jobs	180	36	106	0	106	(74)
Businesses	45	9	15	0	15	(30)

6. Summary of citizen participation process and consultation process

HUD requires entitlement jurisdictions to provide opportunities for citizen participation in developing the Consolidated Plan. Also required by HUD, ECD staff developed the Citizen Participation Plan (CPP). The CPP gives details on how and when opportunities for citizen involvement are made available, and on how notices of these opportunities and other related information are provided for the various stages of Consolidated Plan development.

Conforming to the provisions of the Citizen Participation Plan, public input was gathered in multiple ways: public meetings, surveys, consultations with stakeholders and services providers. Several public outreach events were held to make the public aware of the Consolidated Plan process and the value of their input. Four Consolidated Plan public forums were held at well-utilized recreation centers, in LMI areas to gather the public's input on priorities for the Consolidated Plan. Two public meetings were also held to announce the results of the public input on priorities.

A community survey was distributed in various community and organizational meetings, placed in agencies' offices, distributed at public events with target populations, and posted on the City's website.

Public notices were published in the area's newspaper of general circulation - Chattanooga Times Free Press and in the Chattanooga News Chronicle, an area newspaper targeting the African American community. Several articles discussing the Plan and process appeared in Chattanooga Times Free Press and other community papers. Notices were also widely distributed through the City's social media mediums. All of the dates, as well as details on additional public outreach efforts are outlined in the Plan.

7. Summary of public comments

Comments received were from public meetings and surveys. Comments received included: concerns about the need for affordable housing for elderly, low to average income, and the homeless, eliminating blight by fixing up or demolishing boarded up property, helping people remain in their homes, addressing slumlords and requiring upkeep of rental units, increasing incomes, improved sidewalks, streets and lighting, safety in neighborhoods, and general questions about how individuals could qualify for funded programs. Over 200 Consolidated Plan Surveys returned and over 60 citizens participated in a priority-setting game, at various locations.

8. Summary of comments or views not accepted and the reasons for not accepting them

All comments were considered.

9. Summary

This document was developed through a process that included a significant community engagement component, (made up of focus groups, workshops, and a public review period) along with extensive community data supplied by HUD, and local studies and plans. During the timeframe in which public meetings were being held and surveys were being solicited for the Consolidated Plan, other City-directed input meetings and surveys were being conducted. This includes input for the Analysis of Impediment to Fair Housing (AI), community input meetings for the Historic River-to-Ridge Area Plan, and public engagement sessions for the City's Budgeting for Outcomes (BFO) budget process.

Supplementing the data with other various sources of input from the community allowed the City to develop a plan that allocates the corresponding resources in the most efficient, effective, and impactful manner, ensuring the funds will be targeted to activities/programs/projects that can deliver the greatest benefit to the community.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	City of Chattanooga	Economic & Community Development
HOME Administrator	City of Chattanooga	Economic & Community Development

Table 1 – Responsible Agencies

Narrative

The lead agency for the development of the Consolidated Plan is the Economic and Community Development Department of the City of Chattanooga. The City also consulted with a number of other agencies including the Chattanooga Housing Authority, the City's community housing development organizations, and agencies involved in the local Continuum of Care to address homelessness.

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)

1. Introduction

The City of Chattanooga works with a variety of agencies, organizations, and service providers in identifying local housing and community development needs. The City's consultations are achieved through ongoing relationships, meetings, special task forces, events like the Housing Connections Conference, and partnering with stakeholders and actively involving citizens.

Beginning in November 2019, area agencies, organizations and City departments rendering various types of services to the citizenry of Chattanooga were surveyed or interviewed to gather input for the 2020-2024 Consolidated Plan. These entities represent public and nonprofit agencies whose mission includes services to the elderly, the disabled, HIV/AIDS, alcohol and drug addition, homelessness, health and social welfare, financial and philanthropic foundations.

Consultations were conducted during one-on-one interview sessions and surveys with organizational representatives to ascertain the focus, activities, and needs of these service providers during the course of the Consolidated Plan to establish current and proposed type and level of services.

In addition to the stakeholder and community consultations, a variety of existing plans and reports were reviewed in preparing the Consolidated Plan - ensuring to align proposed goals with these other plans, where applicable.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

City of Chattanooga relevant agencies collaborate with local governmental and private housing providers, health, mental health, and service providers through multiple networks. As many service providers struggle with dwindling funding, collaboration and collective impact models are increasingly important to meeting the needs of Chattanooga's low-to moderate-income citizens.

The City has a long history forging public and private partnerships working collaboratively to address issues that relate to housing and service needs in the community. Examples include the establishment of the Chattanooga Interagency Council on Homelessness (CICH), the City's hosting of the Housing Connection Conferences, and the collaborative partnership with non-profit and for-profit housing providers and developers.

Demo

On March 19, 2018, Mayor Andy Berke signed Executive Order Number 2018-01 creating the Chattanooga Interagency Council on Homelessness. Specifically, the Mayor created the Council to unite the community around an effective strategy to end homelessness. CICH consists of a group of organizations and individuals that plan, coordinate, and accelerate the City's response to ending homelessness.

Shortly after being established, CICH was tasked with creating a community plan to reduce homelessness in the community. In order to develop a plan that accelerates the community's progress towards reducing homelessness, a comprehensive analysis on the current state of homelessness in Chattanooga was needed to identify gaps, needs and input into how the Chattanooga community could improve its approach to reducing homelessness. Through key informant interviews, planning sessions with key stakeholders, a public meeting and secondary data analysis the 2018 Chattanooga Community Action Plan was developed. The 2018 Chattanooga Community Action Plan to end homelessness, is a strategic plan to combat and end homelessness in the city.

The 2019 Housing Connections Conferences brought together more than 200 professionals and advocates from all housing sectors, including developers, foundations, activists, planners, and policymakers. The result was the creation of seven teams working on recommendations to address distinct challenges and barriers relative to housing with the objective of creating connections that will lead to more options for more people in Chattanooga to find the housing they need.

Chattanooga Housing Authority (CHA) - The City works closely with the Chattanooga Housing Authority, which organizes resources from the federal government to address the housing needs of the City's lowest income households.

Public and private partnerships - The City has ongoing collaborative relationships with housing providers, both non-profits and for-profit entries, including established community housing development organizations like Chattanooga Neighborhood Enterprise, Chattanooga Community Housing Development Organization, and Habitat for Humanity of Greater Chattanooga and numerous for-profit developers. Through these partnerships targeted clientele, other special needs populations, and the general low-income population.

Through the Continuum of Care process, the City maintains relationships with mental health providers, homeless shelter and services providers, and other governmental agencies with specific responsibilities for homeless individuals and families.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Collaboration with the local Continuum of Care (CoC) is integral to the City's approach to addressing homelessness. City staff works actively with the Chattanooga Regional Homeless Coalition (CRHC), the regional Continuum of Care for the area, in addressing the needs of homeless person. The Chattanooga Regional Homeless Coalition coordinates federal Continuum of Care activities and the Chattanooga Interagency Council on Homelessness coordinates long term planning and project development.

The Manager of Community Development and the Director of the City's Homeless Services Division serve on the CoC Board of Directors. The City has provided CDBG and general fund resources to supplement Continuum of Care initiatives and distributes Emergency Solutions Grant funding to agencies that make up the membership of CRHC.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

Performance standards and funding as well as policies and procedures for the administration of HMIS had been established through discussions and consultations with the Continuum of Care. Policies and procedures are provided to Continuum of Care members for review and comment, along with surveys requesting entities to rank priorities for ESG allocations. The Homeless Coalition has managed the community's Homelessness Management Information System (HMIS), a centralized assessment system that meets HUD requirements, since 1998, and works as a mentor agency for new HMIS sites.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CHATTANOOGA HOUSING AUTHORITY
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	One-on-one consultation. CHA is the City's primary resource/partner providing affordable housing for very low and low-income citizens.
2	Agency/Group/Organization	CHATTANOOGA NEIGHBORHOOD ENTERPRISE
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	On-going one-on-one consultation as one of the City's major stakeholders and developers of affordable housing, and "Housing Connections Conferences participant and survey.
3	Agency/Group/Organization	HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	"Housing Connections Conferences participant and survey. Provided input on capacity and wherewithal to partner with City in increasing affordable housing inventory.
4	Agency/Group/Organization	PENNROSE PROPERTIES, LLC
	Agency/Group/Organization Type	Housing

Demo

	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey provided input on capacity and wherewithal to partner with City in increasing affordable housing inventory.
5	Agency/Group/Organization	CHATTANOOGA COMMUNITY HOUSING ORGANIZATION, INC
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	"Housing Connections Conferences participant and survey. Provided input on capacity and wherewithal to partner with City in increasing affordable housing inventory.
6	Agency/Group/Organization	HELEN ROSS MCNABB CENTER
	Agency/Group/Organization Type	Housing Services - Housing Services-Persons with Disabilities Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Organization provided input on capacity and wherewithal to partner with City in increasing affordable housing inventory.
7	Agency/Group/Organization	La Paz de Dios, Inc.
	Agency/Group/Organization Type	Services-Education Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation - provided input on capacity and wherewithal to partner with City in increasing outreach to Latino population to determine needs and resources.
8	Agency/Group/Organization	SOUTHEAST TENNESSEE HUMAN RESOURCE AGENCY
	Agency/Group/Organization Type	Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner with City in increasing affordable housing inventory and services to homeless and homeless veterans.
9	Agency/Group/Organization	PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-Homeless Services-Education Services-Employment Service-Fair Housing Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.
10	Agency/Group/Organization	UNITED WAY OF GREATER CHATTANOOGA
	Agency/Group/Organization Type	Services-Children Services-Education Regional organization
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.
11	Agency/Group/Organization	Benwood Foundation
	Agency/Group/Organization Type	Private Philanthropic Foundation
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	One-on-one sessions, - received information to assist in coordinating efforts to address affordable housing and community development.
12	Agency/Group/Organization	SETDD
	Agency/Group/Organization Type	Regional organization Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing interaction, survey and quarterly reports to establish coordinated strategy for addressing improved economic opportunities for L/M citizens.

13	Agency/Group/Organization	CADAS
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities Substance Abuse, in and out-patient care
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey/consultation - Coordination of homeless services.
14	Agency/Group/Organization	CHATTANOOGA CHURCH/COMMUNITY KITCHEN
	Agency/Group/Organization Type	Services - Housing Services-homeless Services-Employment
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.
15	Agency/Group/Organization	Family Promise of Greater Chattanooga (formerly Interfaith Homeless Network)
	Agency/Group/Organization Type	Services - Housing Services-Homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.

Demo

16	Agency/Group/Organization	Hosanna House
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey - To coordinate housing for people with disabilities
17	Agency/Group/Organization	Community Foundation
	Agency/Group/Organization Type	Philanthropic Org - Social Welfare Foundation
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Social Welfare
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives..
18	Agency/Group/Organization	Office of Multicultural Affairs
	Agency/Group/Organization Type	Grantee Department
	What section of the Plan was addressed by Consultation?	Fair Housing Education
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Grantee department, on-going interaction and a collaboration on promoting diversity and inclusion on behalf of the City of Chattanooga.
19	Agency/Group/Organization	Urban League of Greater Chattanooga
	Agency/Group/Organization Type	Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Economic Development

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	On-going coordination on economic development and education services
20	Agency/Group/Organization	AIM INC.
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and one-on-one discussions. Organization provides consumer-driven psychiatric rehabilitation services that enhance the recovery in the living, working, learning, and social environments and is a critical partner in addressing the needs of persons with mental illness. The consultation provided information that assists in anticipating future needs and focusing resources.
21	Agency/Group/Organization	Salvation Army
	Agency/Group/Organization Type	Services - Housing Services-Homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.
22	Agency/Group/Organization	Metropolitan Ministries
	Agency/Group/Organization Type	Services - Housing Services-Homeless

	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives.
23	Agency/Group/Organization	Johnson Mental Health
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives
24	Agency/Group/Organization	Erlanger Hospital
	Agency/Group/Organization Type	Services-Health
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives
25	Agency/Group/Organization	Cempa Community Cares

	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Services-homeless Services-Health Services-Education
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives
26	Agency/Group/Organization	Hamilton County
	Agency/Group/Organization Type	Governmental
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives
27	Agency/Group/Organization	Homeless Health Care
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-homeless Services-Health Services-Education
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Coordinate homeless services, On-going partnership, Homeless Action Plan participant, provided input on addressing homelessness and creation of Action Plan. Partner in improving lives and families and individuals, moving them from vulnerable situations to living stable lives

Identify any Agency Types not consulted and provide rationale for not consulting

Any agencies conceivably related to programs/services/activities that will assist in successfully addressing the needs identified in the plan were consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Chattanooga Regional Homeless Coalition	The Chattanooga Homeless Coalition coordinates the application process for various organizations and the City to receive funding for the community. A consolidated application is submitted, which includes a single Continuum of Care application and requests from local nonprofit homeless service providers and the City. The goals of the Strategic Plan are coordinated with those of the Continuum of Care Program to promote community-wide commitment to the goal of ending homelessness.
PHA 5-Year Plan https://www.chahousing.org/agency-plan	Chattanooga Housing Authority	The 5-Year Plan addresses specific planning, inventory, maintenance and needs of the housing authority and the community which plays a major role in the local coordinated efforts in addressing the local housing needs outlined in the Strategic Plan.
2030 Comprehensive Plan https://chcrpa.org/planning-projects/comprehensive-plan/	Regional Planning Agency	The Comprehensive Plan provides a local regional strategy to focus on neighborhoods and centers, and revise the codes and laws that govern development, including housing and community development in L/M neighborhoods.

Demo

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
2018 Homelessness Action Plan https://connect.chattanooga.gov/cich/	Chattanooga Interagency Council on Homelessness	Provides a comprehensive analysis on the current state of homelessness in Chattanooga, identifies gaps and needs, and provides an action plan on collaboratively addressing homelessness in Chattanooga.
2020-2023 Transportation Improvement Program (TIP) https://chcrpa.org/transportation-planning-organization/	Regional Planning Agency	The Transportation Improvement Program (TIP) covers four years of federal, state, and locally funded multimodal transportation projects that are derived from the Regional Transportation Plan (RTP). The plan provides proposed transportation projects that are planned through 2040 in disadvantaged areas.
Historic River-to-Ridge Area Plan https://chcrpa.org/project/area-3-plan/	Regional Planning Agency	Provides a general vision and policy guide for future physical development that seeks to balance growth (revitalization of centers/corridors and more diverse housing options) with protecting the area's established single-family residential communities, cultural history, and scenic assets.
Chattanooga Housing Connections Report https://connect.chattanooga.gov/housingconference/	Department of Economic & Community Development	Plan provides data on housing needs and strategies that are incorporated in the Strategic Plan.
Bridging the Gap: Affordable Housing and Workforce Development Strategies https://connect.chattanooga.gov/wp-content/uploads/2017/02/NRN-Full-report-with-appendix.pdf	City of Chattanooga, Mayor's Office	This report proposes an opportunity-based typology and roadmap to align appropriate affordable housing and workforce development strategies with specific local conditions, funding resources, and partners at the Census Tract level.
Hamilton County Real Estate Market Study https://chcrpa.org/project/hamilton-county-real-estate-market-study/	Regional Planning Agency	Provides an independent perspective on how future real estate trends will impact Hamilton County over the coming decade.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
People, Places, Paths https://chcrpa.org/project/people-places-paths-connectivity-study/	Regional Planning Agency	Assesses the current level and range of connectivity across Hamilton County, prioritize areas for building connectivity, identify physical barriers to building connectivity, begin to locate potential opportunities for building connectivity, and suggest ways in which this analysis can inform future planning projects.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

The City of Chattanooga coordinates efforts with other entities, the State and Hamilton County in addressing community development, economic development and housing needs. The City and Hamilton County are also cooperative partners in addressing and ending homelessness in the community.

Narrative (optional):

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Citizen Participation Plan provides policies and procedures that assure that the public has adequate notice and opportunities to provide input into the development of the Consolidated Plan. Generally, it provides for appropriate notice prior to public meetings and accommodations for persons with disabilities. Conforming to the provisions of the Citizen Participation Plan, there were several public outreach events held to make the public aware of the Consolidated Plan process and the value of their input during the process. Surveys were one method used to question the public on the most effective ways to get information to them about the Consolidated Plan and other HUD programs. Four Consolidated Plan public forums were held, at well utilized recreation centers in LMI areas, to gather the public's priorities for the Consolidated Plan. One public meeting was held to provide update on survey results and priorities.

Additionally, regular e-mail communications were sent to stakeholders with information about upcoming meetings and opportunities for input. Information was also available on the City's webpage outlining the entirety of the Consolidated Plan planning process. The public could access information about the Plan, view the Draft, learn about upcoming public meetings, take the Community Needs Assessment Survey, submit comments, and view relevant resource materials that informed the Consolidated Plan Needs Assessment and Market Analysis. A rendering of this webpage can be found in the appendices.

During the public engagement period of the preparation of this plan, the United States was deeply affected by the Coronavirus COVID-19 pandemic. From March 16, 2020 through June 15, all in-person public meetings were suspended throughout the City. The public meeting to provide opportunity for input/comments on the draft had to be held virtually. The virtual meetings involved using ZOOM virtual meeting and an open electronic forum to submit comments and questions in real time.

Finally, a copy of the Draft of the Consolidated Plan, Action Plan, Analysis of Impediments, Citizen Participation Plan, and all appendices was made available on-line and at the Department of Economic and Community Development for the during the 30-day public comment period.

All comments received during the citizen participation period were considered when developing the priorities and goals for the Consolidated Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Citizens' Advisory Committee	12	The Citizen's Advisory Committee was in general agreement with the City's funding recommendations. Summary of comments provided under attachments.		
2	Public Meeting	Non-targeted/broad community	Presentation to City Council at the 3:00 pm session on May 12, 2020. Virtual meeting open to the public. people in attendance ?	2	.	
3	Public Meeting	Non-targeted/broad community	Public meeting on June 15, 2020. Held using Virtual Format Information presented to citizens	TBA	None	

Demo

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Newspaper Ad	Non-targeted/broad community	May 21, 2020 - publication of proposed funding and recommendations appeared in Chattanooga Times Freepress for thirty (30) day comment period and provide information on location of the public meeting		None	
5	Public Meeting	Non-targeted/broad community	City Council Meeting on July 7, 2020 to pass Resolution.	TBA	None	
6	Internet Outreach	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Internet Outreach		None	

Demo

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	Public Outreach	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Flyers were not posted due to City Hall being closed because of COVID-19. Informational fliers were emailed out to the Community Development mailing list and on Facebook	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	None	None
8	CD Office copy of Action Plan	Non-targeted/broad community	A copy of the Draft Action Plan was available at the front of the office for review to anyone visiting the office. A copy was also posted on the City's website.	CD Office copy of Action Plan	None	
9	Council Presentation - Public Meeting	Non-targeted/broad community	5-12-2020 Presentation on Con Plan and proposed goals, funding		None	
10	Council Presentation - Public Meeting		2-11-2020 Presentation on Con Plan process		None	

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Housing Needs

The City of Chattanooga is lower income than the surrounding county. It consists of eighty-one (81) census tracts, of which nearly a third of them, twenty-three (23), have a low/moderate income percentage greater than 50%, and are considered Low/Moderate Income (LMI) census tracts. All of these LMI census tracts, as well as all of the racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are located in Chattanooga. The R/ECAP areas are census tracts 11, 12, 13, 14, 16, 19, 20, 23, 24, 25, 26, and 122. Currently, census tracts 4, 16, 19, 20, 31, 123, and 124 are qualified Opportunity Zones in Tennessee.

Data Source: 2000-2011 ACS		City of Chattanooga					
		Low to Moderate Income Census Tracts					
Area	Census Tract	Percentage L/M	Race/Ethnicity				
			White	Black	Hispanic	Am. Indian	Asian
Orchard Knob, Avondale	4	68.45%	6.8%	89.2%	2.4%	0.6%	0.0%
Hill City	8	68.31%	64.7%	32.8%	1.1%	1.6%	0.0%
Fortwood	11	62.87%	29.5%	50.2%	23.3%	0.0%	0.0%
Glenwood	12	61.11%	13.6%	84.8%	0.7%	1.2%	0.0%
East Lake, Ridgedale	13	74.25%	38.6%	50.5%	18.5%	0.4%	0.0%
Highland Park	14	66.42%	56.1%	42.2%	9.7%	0.0%	0.2%
Westside	16	100.00%	18.3%	80.0%	0.0%	0.9%	0.8%
South Chattanooga, Alton Park, Piney Woods	19	85.83%	2.8%	94.7%	1.3%	0.3%	0.0%
Southside	20	85.02%	21.0%	65.1%	11.5%	2.4%	0.0%
Clifton Hills,	23	68.56%	43.4%	29.3%	26.5%	0.9%	0.0%
Cedar Hill, East Lake	24	78.12%	72.9%	13.0%	28.3%	2.0%	3.7%
East Lake	25	80.76%	35.7%	55.1%	11.4%	2.1%	0.0%
Oak Grove	26	75.76%	34.5%	49.4%	24.3%	0.0%	0.0%
Downtown	31	60.53%	64.2%	34.7%	3.3%	0.0%	0.0%
Foxwood Heights	32	61.81%	15.5%	75.6%	5.2%	3.9%	0.0%
Signal Mt. Blvd.	109.02	70.31%	100.0%	0.0%	0.0%	0.0%	0.0%
Eastdale	114.44	59.59%	17.3%	80.8%	2.4%	0.0%	0.0%
Shepherd	114.45	51.24%	55.2%	39.5%	10.2%	0.0%	1.1%
Avondale, East Chattanooga	122	86.55%	5.7%	92.9%	2.0%	0.0%	0.0%
Amnicola, East Chatt, Glass Farm	123	66.32%	30.5%	63.9%	0.8%	2.0%	1.2%
ML King, Fortwood	124	68.17%	64.1%	28.5%	2.1%	0.1%	6.6%

Table 4-1 Low-Income Census Tracts and Demographics

The Needs Assessment looks at a variety of housing, homeless, community development, and non-homeless special needs through an examination of census and Comprehensive Housing Affordability Strategy (CHAS) data created by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development. These data quantify housing problems, such as overcrowding and cost burden, and measure the magnitude of special needs populations, such

as the elderly, frail elderly, and persons with HIV/AIDS. Data in this Needs assessment come from the most recently released HUD CHAS 2011 – 2015 and the census data at the American Community Survey (ASC, 2014-2018)

The Needs Assessment also identifies those needs with the highest priority, which form the basis for the Strategic Plan and targeting of resources. Most of the data tables in this section are populated with default data from the CHAS for HUD. The City also used results from the online survey, comments received during the public input sessions, consultation process, and other relative plans, studies, and reports, including, but not limited to: City of Chattanooga’s 2018 Homelessness Action Plan, the Chattanooga Housing Authority’s Five-year Plan”, the “Chattanooga Homeless Coalition’s Continuum of Care Plan”, the Historic River to Ridge Area 3 Plan, the Housing Connections Report, the Transportation Improvement Program Report and the Chattanooga Analysis of Impediments to Fair Housing Choice (AI).

This section of the Plan provides a summary of the City’s needs relative to affordable housing, special needs housing, community development, and homelessness. The Needs Assessment includes the following sections:

- Housing Needs Assessment
- Disproportionately Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Needs Assessment
- Non-Housing Community Development Needs

HUD identifies four housing problems affecting low, low-moderate, moderate, and middle-income households: housing condition (lack of complete kitchen or plumbing facilities), overcrowding, and cost burden.

The most common housing problem in Chattanooga is cost burden. Cost burden (paying more than 30 percent of household income on housing expenses) and extreme cost burden (paying more than 50 percent of household income on housing expenses) has a considerable impact on households in Chattanooga, particularly lower-income households.

For renters, housing costs include rent paid by the tenant plus utilities. For homeowners, housing costs include mortgage payments, taxes, insurance, and utilities.

There are 31,975 cost-burdened households at or below 80% Area Median Income (AMI) in Chattanooga, 80% % of which fall in the extremely-low income (0-30% (AMI) or low-income (30-

50% AMI) groups. 70% of these households are renters. Of the 22,339 renter households 85% are low-income (household income < 50% AMI)

Overcrowding, defined by HUD as more than one person per room (not including bathrooms, porches, foyers, halls, or half-rooms), and substandard housing which lacks complete kitchen or plumbing facilities, are also problems experienced by Chattanooga households. More than 857 households face overcrowding, while more than 543 households lack complete kitchen or plumbing facilities.

Public Housing Needs

The Chattanooga Housing Authority (CHA) provides public housing opportunities and related housing services through its Low-Income Public Housing Program to individuals and families of low, very low, and extremely low income in Chattanooga. The CHA also provides subsidized housing opportunities through its Housing Choice Voucher Program to individuals and families of very low and extremely low income throughout Hamilton County, TN.

CHA maintains a centralized waitlist for its owned and managed public housing units. As of May 31, 2020, there were 3,197 applicants on the LIPH Waitlist, 58% of whom sought one-bedroom units. CHA also maintains the waitlist for the Housing Choice Voucher program. The CHA last opened its HCVP waitlist on January 15, 2020. The CHA received a total of 4,873 on-line applications. 1,500 applicants were randomly selected from the pool. The most immediate need is for 1-bedroom units.

Homeless Needs

The homeless needs vary widely. Needs range from affordable housing, protective services, social service, health, and education, just to touch on a few. In the 2019 Point-in-Time count 463 individuals, which consisted of 373 households, were identified. Forty-four (44) were veterans, eight (8) were victims of domestic violence, 27 were unaccompanied youth under the age of 24, and others identified the following disabilities:

Adults with a Substance Use Disorder	18
Adults with a Serious Mental Illness	82
Adults with HIV/AIDS	2

Non-Homeless Needs

Non-homeless special needs population include the elderly, persons with physical, developmental, and mental health disabilities, victims of domestic violence, dating violence, sexual assault, and stalking persons living with HIV/AIDS and their families. These populations require a variety of supportive services to remain safe, independent, healthy, and stable.

Non-Housing Community Development Needs

Non-housing community development needs include parks and community centers, sidewalk and street improvements, management of vacant and abandoned properties, and public services such as; senior services, youth services, and employment services. These needs are determined through public and stakeholder consultations for the Consolidated Plan, as well as through a variety of other local planning processes.

**NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)
Summary of Housing Needs**

The following information can serve as a reference in considering information in this section and other parts of the plan.

The following income categories are referenced throughout the plan and used in determining eligibility for assistance under HUD funded programs:

- Extremely low – households with income less than 30 percent of area median income (AMI)
- Very low – households with income between 30 and 50 percent of AMI
- Low – households with income between 51 and 80 percent of AMI
- Moderate – households with income between 81 and 120 percent of AMI
- Above moderate – households with income above 120 percent of AMI

	2015	2019	% Change
Area Median Income (AMI) –Household of 4	\$54,200	\$70,100	29%
30% AMI	\$16,550	\$20,350	23%
50% AMI	\$27,550	\$33,900	23%
80% AMI	\$44,100	\$54,250	23%

For FY 2019, HUD established \$70,100 as the Area Median Income (AMI) for Chattanooga for a family of four. Income categories for CDBG-funded activities are calculated by HUD based on AMI. After adjustments, the HUD low-income limit (50% AMI) for a family of four is \$33,900.

The information and tables in this section provide a summary of housing needs and problems based on income, household type, and tenure type. The data analyze households experiencing 1) overcrowding; 2) substandard housing; 3) cost burdened (paying more than 30 percent of household income for housing costs); and 4) severely cost burdened (spending over 50 percent of household income for housing costs). Key factors from the data represented below include:

Demo

- City of Chattanooga population increased an estimated 4% from 2009 to 2015 and by nearly 2% from 2015 to 2018.
- Housing cost burden is the most common housing problem in Chattanooga.
- 33,230 households in Chattanooga, or 47% of all Chattanooga households, are at or below 80% Area Median Income (AMI) and 45.5% experience housing cost burden.
- 857 households at or below 80% AMI experience overcrowding or severe overcrowding. The majority of these households (90%) are renters.
- 11,676 households - renters and owners in the 0-50% AMI income group experiencing one or more housing problems.
- Small related households (those with 2-4 related members) account for 32% of cost-burdened households in the extremely low-, low-, and moderate-income groups, while elderly households (those headed by a person who is at least 62 years of age) account for 28% of cost-burdened households in these income groups.

Demographics	Base Year: 2009	Most Recent Year: 2015	% Change From Base Year	Year: 2018	% Change From 2015
Population	167,674	174,480	4.0%	177,365	1.6%
Households	71,204	70,235	-1.3%	72,842	3.7%
Median Income	\$37,260.00	\$40,177.00	7.8%	\$43,964	9.4%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year), 2014-2018 ACS 5-Year Estimates

City of Chattanooga Household Incomes In 2018 Inflation-Adjusted Dollars 2018:ACS 5-Year Estimate	
Income Range	Percentage of Households
Less than \$10,000	8.60%
\$10,000 to \$14,999	7.00%
\$15,000 to \$24,999	13.00%
\$25,000 to \$34,999	11.70%
\$35,000 to \$49,999	14.70%
\$50,000 to \$74,999	17.40%
\$75,000 to \$99,999	9.70%
\$100,000 to \$149,999	10.30%
\$150,000 to \$199,999	3.30%
\$200,000 or more	4.30%

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	11,425	9,735	12,070	6,670	30,330
Small Family Households	3,430	2,775	4,180	2,605	14,095
Large Family Households	530	890	719	335	1,660
Household contains at least one person 62-74 years of age	2,035	2,010	2,180	1,495	6,680
Household contains at least one person age 75 or older	1,225	1,855	1,925	714	3,270
Households with one or more children 6 years old or younger	1,822	1,609	1,860	962	2,534

Table 6 - Total Households Table

Data 2011-2015 CHAS
Source:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	219	125	120	79	543	88	4	85	0	177
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	14	90	10	4	118	0	25	15	0	40

Demo

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	210	245	190	4	649	0	24	23	0	47
Housing cost burden greater than 50% of income (and none of the above problems)	4,890	2,105	334	74	7,403	1,370	1,265	625	165	3,425
Housing cost burden greater than 30% of income (and none of the above problems)	1,189	2,680	2,495	360	6,724	454	895	1,650	880	3,879
Zero/negative Income (and none of the above problems)	915	0	0	0	915	255	0	0	0	255

Table 7 – Housing Problems Table

Data 2011-2015 CHAS

Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen

or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	5,335	2,560	660	158	8,713	1,460	1,320	765	165	3,710
Having none of four housing problems	2,770	3,770	5,720	2,960	15,220	695	2,085	4,930	3,375	11,085
Household has negative income, but none of the other housing problems	915	0	0	0	915	255	0	0	0	255

Table 8 – Housing Problems 2

Data Source: 2011-2015 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	2,364	1,735	909	5,008	409	475	815	1,699
Large Related	440	639	154	1,233	4	105	150	259
Elderly	1,305	1,079	522	2,906	1,000	1,215	764	2,979
Other	2,335	1,675	1,355	5,365	428	390	584	1,402
Total need by income	6,444	5,128	2,940	14,512	1,841	2,185	2,313	6,339

Table 9 – Cost Burden > 30%

Data Source: 2011-2015 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,970	710	74	2,754	355	280	195	830
Large Related	410	140	20	570	4	25	40	69
Elderly	915	555	127	1,597	705	620	245	1,570
Other	1,910	815	175	2,900	330	355	149	834
Total need by income	5,205	2,220	396	7,821	1,394	1,280	629	3,303

Table 10 – Cost Burden > 50%

Data 2011-2015 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	188	155	175	4	522	0	45	8	0	53
Multiple, unrelated family households	29	140	49	4	222	0	4	29	0	33
Other, non-family households	0	35	0	0	35	0	0	0	0	0
Total need by income	217	330	224	8	779	0	49	37	0	86

Table 11 – Crowding Information – 1/2

Data 2011-2015 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present								

Table 12 – Crowding Information – 2/2

Data Source Data for this table is unavailable.

Describe the number and type of single person households in need of housing assistance.

There are 27,629 householders living alone in Chattanooga. 39% (10,757) of these households consist of a person age 65 or older living alone (2018 ACS 5-Year Estimates). Single-person households potentially requiring housing assistance include low- and moderate-income individuals, seniors, disabled persons, domestic violence victims, and others.

Analysis of the data for Chattanooga show there are fewer households with children, an aging population, an increase in households consisting on persons living alone and smaller household sizes - all indicating the need for smaller houses, low maintenance, and a greater variety of housing types.

Different family types want different housing types, and most of our construction delivers either single family detached homes or large apartment buildings. Smaller projects such as townhomes or duplexes make up less than 10% of the residential permits that were pulled by developers between 2010 and 2017. <https://connect.chattanooga.gov/housingconference/>

While detached single-family homes will continue to be Chattanooga's primary housing choice option, two main housing drivers (Baby Boomers/Generation Y) representing over 60% of the population will present a growing demand for apartments and smaller housing units located in communities with more convenient access to daily needs. This is already being confirmed by the increasing share of apartment and townhouse development activity. While the increase in production is welcomed, competition for the units, driven by high demand, will make these units unaffordable to low-income single households.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Based on 2014-2018 American Community Survey 5-year Estimates, approximately 15% of the 174,200 individuals in Chattanooga identify with a disability. Thirty-eight percent (38%) of residents over the age of 60 identify with a disability.

Through its Family Violence Center, Partnership for Families Children and Adults provided services to 1,387 victims of domestic violence and over 180 victims of sexual assault and elder abuse through a 24/7 crisis hotline, shelter, crisis counseling, forensic exams, court advocacy transitional housing, immigration advocacy, and other wrap around services and resources.

Of 3,197 applicants on the CHA LIPH Waitlist, 157 (5%) identify as disabled, while 823 (43%) of the 1,915 households in LIPH occupied units are identified as disabled.

In the 2019 Point-in-Time count 463 individuals, which consisted of 373 households, were identified. Eight were victims of domestic violence and others identified the following disabilities:

Adults with a Substance Use Disorder	18
Adults with a Serious Mental Illness	82
Adults with HIV/AIDS	2

Determining the number of persons needing supportive housing in the community and targeting a population that can most benefit from a particular type of housing or living arrangement is an extremely difficult proposition as the disabilities vary so greatly. Chattanooga has a number of non-profit organizations through which an array of services, education, and housing opportunities are provided to adults and children. The City partners collaboratively with many of these entities, for-profit developers, and local philanthropic organizations to address housing needs for these citizens.

What are the most common housing problems?

The most common housing problem in Chattanooga is housing cost burden. HUD defines any household which spends more than 30% of its gross income on housing as cost-burdened, and any household that spends more than 50% of its gross income on housing as severely cost burdened. According to the data presented in Tables 9 and 10, there are 31,975 households in Chattanooga at or below 80% AMI that experience a housing cost burden (30-50% income is spent on housing costs) or a severe housing cost burden (more than 50% of income spent on housing costs).

Of these cost-burdened households, 70% are renters and 30% are owners. Most cost-burdened households (46.5%) are in the extremely low-income group (0-30% AMI), 78% are renters. The frequency of the problem decreases with increasing income (34% of cost-burdened households are in the >30-50% AMI group, and 20% are in the >50-80% AMI group and above).

The second most common housing problem in Chattanooga is substandard housing. A total of 12,100 households at or below 80% AMI in Chattanooga experience substandard housing which lacks complete kitchen or plumbing facilities. Of these households, 71% are renters, and 65% are extremely low-income (0-30% AMI) or low-income (>30-50% AMI) renters. This is followed by overcrowding.

A total of 4,191 households at or below AMI (renters and owners) experience overcrowding or severe overcrowding. Of these households, 78% are renters and 22% are owners. On a positive note, this impacts only 13 % of the 33,230 households in Chattanooga at or below 80% Area Median Income (AMI).

Based on the data in this section, housing cost burden for Small Related Households and Other Households is a primary issue followed by substandard housing, (lacking complete plumbing or kitchen facilities) and then overcrowding. These issues are very close in number of low-income households.

Data from the Chattanooga Housing Authority's LIPH waiting list for one and two-bedroom units for 2019, show applicants for one-bedroom units represented 58% of the applicant population as compared to only 51% in 2014. Similarly, regarding two-bedroom units, the percentage of waiting list applicants increased from 26% in 2014 to 28% in 2019. In contrast, LIPH waiting list data show a decline in the demand for three-bedroom units with a drop from 19% in 2014 to 13% in 2019.

Are any populations/household types more affected than others by these problems?

Extremely low-income households, renters and owners, are most affected by housing problems, experiencing one or more housing problems. The occurrence of housing problems decreases with increasing income.

Small related households (those with 2-4 related members) account for 32% of cost-burdened households in the extremely low-, low-, and moderate-income groups, while elderly households (those headed by a person who is at least 62 years of age) account for 28% of cost burdened households in these groups.

Of households at or below 80% AMI experiencing crowding, 90% are renters and 60% are single-family households.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Low income individuals and families who are currently housed but are at imminent risk of becoming homeless include those households experiencing severe housing cost burden and those currently living "doubled-up" with friends or family. Those at risk of homelessness need access not only to affordable housing, but potentially also transportation, employment, medical assistance, substance abuse and mental health services, and information about available assistance and services.

Placement into Permanent Housing

A lack of affordability is also a characteristic leading to housing instability. Cost burdens make it less likely that a household will be able to pay their rent or mortgage and thus would face a higher risk of homelessness due to eviction or foreclosure.

Households, both individuals and families with children, in the extremely low-income group are at high risk of becoming homeless due to limited or lack of income, or high housing cost burden. Job loss, which always results in a drastic reduction in income, is the leading cause of homelessness. Additionally, a shortage of affordable housing, further increase the risk of homelessness for individuals and families with children in the extremely low-income group.

A total of 463 homeless individuals, 31 children were counted as part of the local Point-in-Time Count. The City and agencies in the Continuum of Care have focused homeless prevention resources on diverting households that are at the most imminent risk of homelessness from entering the homeless services system. Prevention providers have agreed their common aim is to stabilize such households and improve their housing stability to avoid future housing crises.

Rapid Re-Housing is a critical strategy for ending homelessness for households, especially those with children. As part of the Housing First model, the Chattanooga community also embraces rapid re-housing interventions that connect people experiencing homelessness with permanent housing as quickly as possible through a personalized assistance package that may include time-limited financial aid or targeted supportive services. An emphasis on rapid re-housing reduces the amount of time an individual or family experiences homelessness. Rapid re-housing program recipients tend to experience homelessness due to an episodic financial or medical crisis that resulted in the loss of housing. Most program recipients require short-term assistance so the individual or family can return to permanent, stable housing. CICH and Continuum of Care partners are working to develop more housing opportunities for families who are experiencing homelessness to rapidly move them to stable housing.

Recommendations within the *2018 Chattanooga Community Action Plan* also support housing stability and homelessness prevention. For people experiencing homelessness chronically, the Plan recommends increasing supportive housing capacity by aligning organizations for funding opportunities. To support rapid re-housing efforts and homelessness prevention, the Plan recommends exploring further incentives for developers to build affordable housing units and increasing specialized job fairs to link people exiting homelessness with employers

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

City of Chattanooga government does not provide estimates of at-risk populations.

Data on Chattanooga's homeless population is tracked through the Homeless Management Information System (HMIS), a federally mandated on-line data system for all dedicated homeless, prevention, and housing programs who receive CoC funding. The HMIS collects data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

The Chattanooga CoC utilizes HUD's official definition of homelessness, including the at-risk definition, as required by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), which definition was updated on December 5, 2012. The criteria for defining at-risk of homelessness are as follows:

Category 1- Individuals and Families

An individual or family who:

- (i) Has an annual income below 30% of median family income for the area; AND
- (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless definition"; AND
- (iii) Meets one of the following conditions:
 - (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
 - (B) Is living in the home of another because of economic hardship; OR
 - (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR
 - (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR

(E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR (F) Is exiting a publicly funded institution or system of care; OR

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan

Category 2 – Unaccompanied Children and Youth

A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute

Category 3 – Families with Children and Youth

An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The housing characteristics most commonly linked with instability and an increased risk of homelessness include high cost burden (the gap between income and the high cost of housing), a tight rental market, and a shortage of affordable housing. These are further compounded by job loss, high unemployment rate and personal circumstances such as health conditions, mental illness, substance abuse, and trauma.

Housing cost burden is the most common housing problem in Chattanooga and the primary cause of housing instability. As demonstrated in the Market Analysis section of this plan, and local market data there is considerable shortage of rental units that are affordable to extremely low- and low-income households. The issue of cost burden is exacerbated by old housing stock, which is especially prevalent in the areas where lower-income households are concentrated.

61% of Chattanooga's housing stock is over 40 years old, built before 1979 and lacks weatherization and energy-efficiency upgrades that could substantially lower utility bills for both renters and homeowners. Old housing stock in need of critical repairs (for instance, units with plumbing or electrical issues) can cause additional financial hardship for homeowners.

Discussion

Cost burden and extreme cost burden are the most common housing problem across all lower income households in Chattanooga, both renter and owner. The lower the income of the household, the more extreme the cost burden. More Chattanooga residents are feeling increasingly squeezed, experiencing severe cost burdens for housing. This applies to both renters and homeowners. The cycle prevents families from attaining the economic stability and opportunity that secure, affordable housing provides.

There is also some concern with lack of complete plumbing and kitchen facilities, but these conditions are not widespread. As a proxy for housing condition, lack of complete kitchen or plumbing facilities does not tell the entire story. Many units with complete kitchen and plumbing facilities may not be habitable. Overcrowding is also a common problem in many lower income households

As indicated in this section, Chattanooga has a need for affordable units suitable for all household types, including owners and renters, and various family sizes. Additionally, there is a need for preservation of existing affordable units, and for rehabilitation of owner-occupied units including energy efficiency improvements and home repair. Finally, the lack of affordable units combined with other factors such as job loss creates a need for homeless prevention services.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

According to HUD, a disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in category as a whole. The data in this section summarizes the rates at which households experience housing problems by race, ethnicity, and income.

The four housing problems are: lack of complete kitchen facilities, lack of complete plumbing facilities, overcrowding (more than one person per room), and cost burden where more than 30% of income is spent on housing costs.

The income levels are defined as follows:

- Extremely low – households with income less than 30 percent of area median income (AMI)
- Very low – households with income between 30 and 50 percent of AMI
- Low – households with income between 51 and 80 percent of AMI
- Moderate – households with income between 81 and 120 percent of AMI
- Above moderate – households with income above 120 percent of AMI

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	8,435	1,820	1,170
White	3,355	665	440
Black / African American	4,620	1,085	634
Asian	85	0	85
American Indian, Alaska Native	29	10	0
Pacific Islander	0	0	0
Hispanic	195	4	0

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Race	Number	Percentage
White alone (not Hispanic)	92,346	55.53
Black or African American alone (not Hispanic)	57,738	34.72
American Indian and Alaska Native alone (not Hispanic)	299	0.18
Asian alone (not Hispanic)	3,296	1.98
Native Hawaiian and Other Pacific Islander alone (not Hispanic)	38	0.02
Some other race alone (not Hispanic)	162	0.10
Two or more races (not Hispanic)	2,546	1.53
Persons of Hispanic Origin	9,873	5.94
Total	166,298	
2007-11 ACS		

Table 14 - For CHATTANOOGA (CDBG Grantee) - Race

Demo

Households with one of the listed needs (renter)	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	All Households
Substandard Housing - Lacking complete plumbing or kitchen facilities	235	95	440	110	1,095
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	105	120	10	25	324
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	274	130	145	35	775
Housing cost burden greater than 50% of income (and none of the above problems)	4,595	1,760	289	125	6,775
Housing cost burden greater than 30% of income (and none of the above problems)	1,170	2,030	2,505	385	6,240
Zero/negative Income (and none of the above problems)	810	0	0	0	810
2007-11 CHAS					

Table 15 - For CHATTANOOGA (CDBG Grantee) - Households with one of the listed needs (renter)

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	7,455	2,280	0
White	3,140	1,195	0
Black / African American	3,310	1,040	0
Asian	79	4	0
American Indian, Alaska Native	0	15	0
Pacific Islander	0	0	0
Hispanic	790	4	0

Table 16 - Disproportionally Greater Need 30 - 50% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	5,560	6,495	0
White	3,215	3,545	0
Black / African American	2,055	2,565	0
Asian	19	93	0
American Indian, Alaska Native	0	25	0
Pacific Islander	0	0	0
Hispanic	209	238	0

Table 17 - Disproportionally Greater Need 50 - 80% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,560	5,100	0
White	1,025	3,115	0
Black / African American	485	1,655	0
Asian	14	70	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	18	224	0

Table 18 - Disproportionally Greater Need 80 - 100% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Discussion

Using the HUD definition - a disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in category as a whole, the CHAS data show that there is little disproportionately greater need among the racial and ethnic groups in Chattanooga.

While the proportion of whites to other race is still large, the population trend shows a shifting as industry diversifies and employee immigration continues. The downtown area consists of several historically black communities, and recently, a few concentrations of Latinos. Except for a relatively small Hispanic population showing a higher percentage of housing problems for the lowest groups, all racial groups fall close to the jurisdiction-wide percentages. In the very small populations, Asian, American Indian/Alaska Native, and Pacific Islander populations, a disproportionate housing need displays at 0-30% for American Indian and Hispanic, Asian and Hispanic at 30-50% and Asian and Pacific Islanders at 50-80%. The Hispanic population makes up 5.9% of the City's population while all other groups, combined, are 4%.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need, as a whole.

Introduction

The 2005-2009 CHAS data, constructed from data collected by the US Census Bureau for HUD, show housing problems by income and race/ethnicity. The housing problems include incomplete kitchen or plumbing facilities, cost burden greater than 30 percent, and overcrowding (more than 1 person per room). The tables below show the distribution of one or more problems by race/ethnicity for each of four lower income groups, 0 to 30 percent of the area median income, 30 to 50 percent of the area median income, 50 to 80 percent of the area median income, and 80 to 100 percent of the area median income. The discussion following the tables will identify disproportionally greater need within each income group for racial or ethnic group. The next section will look at severe housing problems (severe overcrowding and extreme cost burden).

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	6,795	3,465	1,170
White	2,925	1,085	440
Black / African American	3,500	2,200	634
Asian	85	0	85
American Indian, Alaska Native	29	10	0
Pacific Islander	0	0	0
Hispanic	165	45	0

Table 19 – Severe Housing Problems 0 - 30% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,880	5,855	0
White	1,740	2,580	0
Black / African American	1,705	2,650	0
Asian	70	20	0
American Indian, Alaska Native	0	15	0
Pacific Islander	0	0	0
Hispanic	280	515	0

Table 20 – Severe Housing Problems 30 - 50% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,425	10,650	0
White	854	5,890	0
Black / African American	445	4,160	0
Asian	0	119	0
American Indian, Alaska Native	0	25	0
Pacific Islander	0	0	0
Hispanic	85	362	0

Table 21 – Severe Housing Problems 50 - 80% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	323	6,335	0
White	209	3,940	0
Black / African American	100	2,045	0
Asian	0	84	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	8	234	0

Table 22 – Severe Housing Problems 80 - 100% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

Discussion

Regarding severe housing problems detailed above, there is a disproportionately greater need among blacks in the 0-30 %AMI, and 31-50% AMI groups, showing 55% and 45% respectively for those in the income levels.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

This table displays cost burden information for the jurisdiction and each racial and ethnic group, including no cost burden (less than 30%), cost burden (30-50%, severe cost burden (more than 50%), and no/negative income.

Based on the data in Table 21, of those with cost burdens (30-50%) 50% are White, 44% Black/African American, 1% Asian and 3% Hispanic. Those with severe cost burden (more than 50%) 46% are White, 48% are Black/African American, 2% Asian, and 3% Hispanic.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	45,130	12,270	11,585	1,240
White	29,990 (66%)	6,070 (49%)	5,605(48%)	450
Black / African American	12,530(28%)	5,085 (41%)	5,295(46%)	694
Asian	754(2%)	133(1%)	165(1%)	85
American Indian, Alaska Native	94	0	29	0
Pacific Islander	33	0	0	0
Hispanic	1,275(3%)	810(7%)	300 (3%)	0

Table 23 – Greater Need: Housing Cost Burdens AMI

Data 2011-2015 CHAS
Source:

Demo

Cost Burden > 50% (renter)	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Small Related	2,165	600	100	2,900
Large Related	395	120	0	515
Elderly	734	415	170	1,423
Other	1,765	685	105	2,555
Total Households by Income	8,825	5,290	6,625	31,615
2007-11 CHAS				

Table 24 - For CHATTANOOGA (CDBG Grantee) - Cost Burden > 50% (renter)

Costs	Number	Percentage
Paying > 30%	25,242	36.09
Earning Less than \$34,999 paying > 30%	21,031	30.07
Earning More Than \$35,000 paying > 30%	4,211	6.02
Owner Occupied Earning Less than \$35,000 paying > 30%	7,062	18.42
Owner Occupied Earning More than \$35,000 paying > 30%	3,487	9.10
Renter Occupied Earning Less than \$35,000 paying > 30%	13,969	44.19
Renter Occupied Earning More than \$35,000 paying > 30%	724	2.29
2007-11 ACS		

Table 25 - For CHATTANOOGA (CDBG Grantee) - Costs

Race	Number	Percentage
White alone (not Hispanic)	92,346	55.53
Black or African American alone (not Hispanic)	57,738	34.72
American Indian and Alaska Native alone (not Hispanic)	299	0.18
Asian alone (not Hispanic)	3,296	1.98
Native Hawaiian and Other Pacific Islander alone (not Hispanic)	38	0.02
Some other race alone (not Hispanic)	162	0.10
Two or more races (not Hispanic)	2,546	1.53
Persons of Hispanic Origin	9,873	5.94
Total	166,298	
2007-11 ACS		

Table 26 - For CHATTANOOGA (CDBG Grantee) - Race

Discussion:

Blacks, small related renters and elderly are disproportionately cost burdened, based on the data. Of the 11,585 households paying more than 50% of their income for housing 46% are Black.

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

The data show disproportionately greater need for Hispanics, Asians, and American Indian groups. However, review of census data and other indicators, demonstrates that Chattanooga's LMI census tracts are disproportionately comprised of minority households.

Consequently, these areas also have disproportionately less access to amenities such as higher performing schools and school choice, transportation, gainful employment, adequate, affordable housing, and choice neighborhoods. Therefore, for Chattanooga, the disadvantaged populations represent a majority of Chattanooga's low and moderate income population. .

If they have needs not identified above, what are those needs?

Per the data supplied by HUD in the development of this Plan, the needs have been identified in this section of the Plan.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

High concentrations of Blacks and Hispanics do occur in the low-income census tracts, with Hispanics presenting highest in census tracts 11, 23, 24, and 26.

Demo

Data Source: 2000-2011 ACS	City of Chattanooga						
	Low to Moderate Income Census Tracts						
Area	Census Tract	Percentage L/M	Race/Ethnicity				
			White	Black	Hispanic	Am. Indian	Asian
Orchard Knob, Avondale	4	68.45%	6.8%	89.2%	2.4%	0.6%	0.0%
Hill City	8	68.31%	64.7%	32.8%	1.1%	1.6%	0.0%
Fortwood	11	62.87%	29.5%	50.2%	23.3%	0.0%	0.0%
Glenwood	12	61.11%	13.6%	84.8%	0.7%	1.2%	0.0%
East Lake, Ridgedale	13	74.25%	38.6%	50.5%	18.5%	0.4%	0.0%
Highland Park	14	66.42%	56.1%	42.2%	9.7%	0.0%	0.2%
Westside	16	100.00%	18.3%	80.0%	0.0%	0.9%	0.8%
South Chattanooga, Alton Park, Piney Woods	19	85.83%	2.8%	94.7%	1.3%	0.3%	0.0%
Southside	20	85.02%	21.0%	65.1%	11.5%	2.4%	0.0%
Clifton Hills,	23	68.56%	43.4%	29.3%	26.5%	0.9%	0.0%
Cedar Hill, East Lake	24	78.12%	72.9%	13.0%	28.3%	2.0%	3.7%
East Lake	25	80.76%	35.7%	55.1%	11.4%	2.1%	0.0%
Oak Grove	26	75.76%	34.5%	49.4%	24.3%	0.0%	0.0%
Downtown	31	60.53%	64.2%	34.7%	3.3%	0.0%	0.0%
Foxwood Heights	32	61.81%	15.5%	75.6%	5.2%	3.9%	0.0%
Signal Mt. Blvd.	109.02	70.31%	100.0%	0.0%	0.0%	0.0%	0.0%
Eastdale	114.44	59.59%	17.3%	80.8%	2.4%	0.0%	0.0%
Shepherd	114.45	51.24%	55.2%	39.5%	10.2%	0.0%	1.1%
Avondale, East Chattanooga	122	86.55%	5.7%	92.9%	2.0%	0.0%	0.0%
Amnicola, East Chatt, Glass Farm	123	66.32%	30.5%	63.9%	0.8%	2.0%	1.2%
ML King, Fortwood	124	68.17%	64.1%	28.5%	2.1%	0.1%	6.6%

NA-35 Public Housing – 91.205(b)

Introduction

The Chattanooga Housing Authority (CHA) provides subsidized housing and related housing services primarily to low-income individuals in Chattanooga. The CHA is a public body corporate and politic with a seven-member Board of Commissioners. The Mayor of Chattanooga appoints the Board of Commissioners. However, the Housing Authority has complete administrative authority and it recruits and employs approximately 140 personnel.

The CHA provides public housing opportunities and related housing services through its Low-Income Public Housing Program to individuals and families of low, very low, and extremely low income in Chattanooga. The CHA also provides subsidized housing opportunities through its Housing Choice Voucher Program to individuals and families of very low and extremely low income throughout Hamilton County, TN.

Summary of State of Public Housing (At the Time of This Report)

Funding for the Agency's operation comes from rental income and annual subsidy, in the form of operating and tenant-based assistance funds from the U.S. Department of Housing and Urban Development (HUD). The Agency also receives Capital Funds on an annual basis from HUD. Periodically, the Agency also applies for funds from HUD and City's Community Development Block Grant (CDBG) program to finance various programs, modernization improvements and redevelopment efforts. The default data used in this section is based on reports from Public Housing Authorities (PHAs) to HUD. Missing values do not necessarily mean a zero value but may mean that the PHA did not report on the field. More current data is included following the default data.

This has been a period of great transition in the affordable housing industry. HUD has urged housing authorities to convert traditional public housing properties to the Rental Assistance Demonstration Program (RAD), enabling housing authorities to assume debt on the value of the property's land and buildings, which is prohibited in the traditional public housing setting. Additionally, the Low-Income Housing Tax Credit Program administered by Tennessee Housing Development Agency has become increasingly important as public housing properties age and renovation is needed to preserve the affordable units long into the future. The following information provides an overview of the available affordable housing associated with the CHA.

Affordable Housing Portfolio

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	2,515	3347/3,221	704/202	2,517/2,970	120/29	70/0	0

Table 27 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	
Average Annual Income	0	0	8,213	10,162	8,598	10,171	12,929	0	
Average length of stay	0	0	5	5	3	5	0	0	
Average Household size	0	0	1	2	1	2	1	0	
# Homeless at admission	0	0	4	33	1	32	0	0	
# of Elderly Program Participants (>62)	0	0	491	463	105	351	4	0	

Demo

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program
# of Disabled Families	0	0	570	822	61	749	9	0
# of Families requesting accessibility features	0	0	2,515	3,221	202	2,970	29	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 28 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	219	622	103	501	14	0	0
Black/African American	0	0	2,284	2,586	99	2,457	14	0	0
Asian	0	0	2	4	0	4	0	0	0
American Indian/Alaska Native	0	0	3	5	0	4	1	0	0
Pacific Islander	0	0	7	4	0	4	0	0	0

Demo

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 29 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	41	57	9	48	0	0	0
Not Hispanic	0	0	2,474	3,164	193	2,922	29	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 30 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

There are 165 fully 504 compliant units of various bedroom sizes in the properties that the CHA and Envolve manage. This number exceeds the number of units required by HUD. The CHA is able to readily install audio/visual equipment into any unit as required by a resident who is hearing/visually impaired. The CHA continues to document, maintain and enhance its responsiveness to the needs of individuals with disabilities.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

A review of the CHA's Low-Income Public Housing waiting lists indicates that 58% of the applicants are seeking a 1 BR unit, 28% are seeking a 2 BR unit, 13% are seeking a 3 BR unit, 1% seeking a 4 BR unit, and less than .1% seeking a 5 BR unit. The applicants for one-bedroom units in 2014 represented 51% of the applicant population, so there is evidence of a 7% increase in demand for 1 BR units in 2020. Similarly, with regard to 2 BR units, the percentage of waiting list applicants rose slightly from 26% in 2014 to 28% in 2020. In contrast the waiting list data show a drop in demand for 3 BR units from 19% in 2014 to 13% in 2020. The supply of 4 and 5 BR units exceeds the waiting list demands. The CHA's portfolio by bedroom size appears adequate to respond to the needs of the applicants.

In the Housing Choice Voucher Program, the most immediate need is for 1 BR units. Many of the applicants seeking 1-BR units are assisted with case management services. The case managers report the difficulty in finding the units, which is demonstrated in many requests for voucher extensions. Although there are not many families who require 5 BR and 6 BR units, it is difficult to find homes of that size in Hamilton County. Similarly, applicants seeking these larger units seek voucher extensions more often than those applicants seeking 2 BR and 3 BR units.

How do these needs compare to the housing needs of the population at large?

Data indicate 33.6% percent of low-income households are Small Family Households compared to 5.4% for Large Family Households, and of total low-income 33.3% contain at least one person over 62 years of age. Comparatively, the number/percent of low-income households with one or more children 6 years old or younger is 5,993/17.9%.

Discussion

Affordability

Income data in both the Low-Income Public Housing and Housing Choice Voucher Programs indicate that well over 90% of the residents and participants have annual incomes below 50% AMI, with a majority with incomes of less than 30% AMI.

Supply

In order to increase the supply of deeply affordable housing in Chattanooga and Hamilton County, the CHA has partnered with private developers who combine opportunities for PILOTs, Low Income Housing Tax Credits with CHA's Project-Based Vouchers to develop new affordable housing options. Examples include Chestnut Flats and the Flats at 58. The CHA is closing in on its cap of 20% of its Housing Choice Voucher Program for use in Project-Based Voucher environments. HUD will need to increase the cap to continue this type of collaboration.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

The Chattanooga Regional Homeless Coalition (CRHC) is a multi-sector collaboration between non-profit shelters and homeless service providers, formerly homeless persons, City and County government, the Chattanooga Interagency Council on Homelessness, the Hamilton County Public Schools, Chattanooga Housing Authority, local businesses, faith-based organizations, and community advocates. The Chattanooga Regional Homeless Coalition organizes the Continuum of Care's (CoC's) annual Point-in-Time count and prepares an annual homeless census. These reports provide a snapshot of the region's homeless population. Data from the 2019 Point-in-Time Count (performed on January 25, 2019) indicate that:

- 463 people experience homelessness at some time during the year
- Among those who slept in a homeless shelter at least once during the year:
 - 5% were unaccompanied youth
 - 14% identified as Severely Mentally Ill
 - 3% were victims of domestic violence
 - 11% were veterans
- 181 people homelessness are unsheltered on a given night
- 61% of homeless persons, on a given night, are sheltered

Estimates for the number of homeless persons each year, becoming homeless each year, number exiting homeless each year, and duration of homelessness have not been made,

however HMIS data show the following for 2016, 2017, and 2018 show the total number of persons served as follows:

Year	Number of Children Served	Number of Adults Served	Total
2016	516	960	1,476
2017	514	1,116	1,630
2018	627	1,396	2,024

Table 30-1 Source: 2018 Homelessness Action Plan

To end homelessness in Chattanooga, the community must embrace a plan that moves people experiencing homelessness into housing and provides support to keep people housed. The community needs creative solutions to the challenges of obtaining housing for people experiencing homelessness and maintaining housing for those at-risk of becoming homeless. The community understands that services and resources must shift from managing the discomforts associated with homelessness to ending homelessness through permanent housing. The community of Chattanooga embraces several key values:

- Homelessness is unacceptable.
- Community engagement is central to ending homelessness
- Housing is the solution to ending homelessness
- Case management and support services are necessary for housing sustainability

The plan to end homelessness in Chattanooga focuses on several key goals:

1. Improve coordination among the organizations that serve people experiencing homelessness.
2. Embrace case management services.
3. Establish emergency shelter options.
4. Expanding rapid re-housing capacity.
5. Expand permanent supportive housing capacity.

To meet the plan’s goals, the community embraces a Housing First model that provides people experiencing homelessness with permanent housing and case management services before addressing the other root cause of their homelessness.

As part of the Housing First model, the Chattanooga community embraces rapid re-housing interventions that connect people experiencing homelessness with permanent housing as quickly as possible through a personalized assistance package that may include time-limited financial aid or targeted supportive services. An emphasis on rapid re-housing reduces the amount of time an individual or family experiences homelessness. Rapid re-housing program recipients tend to experience homelessness due to an episodic financial or medical crisis that

resulted in the loss of housing. Most program recipients require short-term assistance so the individual or family can return to permanent, stable housing.

Homeless Needs Assessment

The following table provides an estimate of homeless individuals and families within several categories. These numbers are taken from the 2019 Point-in-time count.

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	80	16	0	0	0	0
Persons in Households with Only Children	2	1	0	0	0	0
Persons in Households with Only Adults	200	164	0	0	0	0
Chronically Homeless Individuals	66	21	0	0	0	0
Chronically Homeless Families	4	0	0	0	0	0
Veterans	30	14	0	0	0	0
Unaccompanied Child	22	5	0	0	0	0
Persons with HIV	1	1	0	0	0	0
Chronic Substance Abuse	9	9				
Severely Mentally Ill	41	41				
Victims of Domestic Violence	8					

Data Source: 2014 Point-in-Time Count **Table 31 - Homeless Needs Assessment**

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Chronically Homeless

Of the 463 individuals surveyed, 87 reported as being chronically homeless, thus 19% of those reporting are chronically homeless. Sixty-six (66) or 75% were sheltered.

The United States Department of Housing and Urban Development (HUD) defines chronic homelessness as a person with a disabling condition who experiences continual homelessness for at least one year or four periods of homelessness within three years.

Stakeholders acknowledge that people experiencing chronic homelessness can be the hardest to serve, as well as the costliest. Many people experiencing chronic homelessness suffer from a mental health or substance use disorder and require more resources for housing stability than people experiencing homelessness only episodically. Indeed, some studies show that people experiencing chronic homelessness, who make up about 19% of the homeless population, use 60% of the homeless resources available in the community.

As part of the Housing First model, the Chattanooga community also embraces permanent supportive housing (PSH) interventions for the chronically homeless. PSH program recipients usually have a diagnosed disability, including serious mental illness or disabling drug addiction. Deploying a Housing First model and investing in PSH can help people experiencing chronic homelessness and disabling conditions access and maintain housing over time.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	272	98
Black or African American	178	66
Asian	0	0
American Indian or Alaska Native	0	0
Pacific Islander	0	0
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	5	2

Race:	Sheltered:	Unsheltered (optional)
Not Hispanic	451	169

Data Source

Comments:

2014 Point in Time Count

Race:	Sheltered:	Unsheltered (optional)	Total	% of Total
White	136	154	290	63%
Black or African American	122	14	136	29%
Asian	2	0	2	
American Indian or Alaska Native	4	4	8	2%
Pacific Islander	1	0	1	
Multiple Races	17	9	26	6%
Total	282	181	463	
Ethnicity:	Sheltered:	Unsheltered (optional)		
Hispanic	18	2		4%
Not Hispanic	264	179		96%

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

According to the 2019 Point-In-Time Count (PIT), of the 373 households counted, 34(9%) were with children and 44 of the persons counted were veterans. Fifty-seven children were counted, 10 of which were unsheltered, while 82% were sheltered. As for the veterans, 32% were unsheltered and the balance was in emergency shelter.

People often experience homelessness within the context of a family household group. When looking at the homeless count in terms of family groups or households, the number of adults without children is increasing the most, while the increase in households that include at least one child increased at a somewhat slower rate.

Year	Adults With Children	Adults Without Children
2016	226	508
2017	230	594
2018	282	927

Veterans

An effort to end Veteran homelessness began on April 21, 2014 when Mayor Andy Berke pledged to end veterans' homelessness in Chattanooga and created a Veterans Task Force to find solutions. The Task Force focused their efforts on decreasing the number of veterans experiencing homelessness. The Task Force identified key partners necessary to facilitate this goal including the VA, MASH program (local Supportive Services for Veteran Families provider), Chattanooga Housing Authority, the Chattanooga Regional Homeless Coalition (the Continue of Care lead agency), Southeast Tennessee Human Resources Agency (SETHRA), the AIM Center and Homeless Healthcare.

The Task Force worked with their partners to reduce wait times for veterans seeking assistance, especially through housing programs. After breaking the process of housing into manageable steps, the task force worked to reduce the time it took to achieve each step. They realized that the system had to be realigned to increase the ease of access. By streamlining processes, offering weekly case conferencing, and creating other breakout committees to help identify barriers to housing veterans and find creative solutions to reduce those barriers. The Task Force instituted a specific project plan that outlined priority tasks, enhanced community through weekly conferencing groups and held partners accountable for assigned tasks. The Task Force also educated the public on the plan, provided regular reports to the community on progress towards the goal, and engaged other relevant stakeholders like landlords and veterans groups.

On February 3, 2017, the United States Interagency Council on Homelessness (USICH), Department of Housing and Urban Development (HUD), and Department of Veterans Affairs (VA) congratulated Chattanooga for effectively ending Veteran homelessness in the Chattanooga community. This honor confirmed that the City and its partners successfully developed the infrastructure and systems to house any veteran who becomes homeless in Chattanooga within 90 days or less and met USICH's goal of ensuring homelessness is a rare, brief, and nonrecurring event for veterans. At inception, securing housing for a veteran experiencing homelessness totaled over 151 days. The Task Force reduced this average to less than 90 days.

CHA Resources to Address Homelessness - 575 Units Allocated

TYPE OF HOUSING	UNIT TOTAL	REQUIREMENTS	OTHER
VASH Vouchers	120 Vouchers	<ul style="list-style-type: none"> • Designed for homeless veterans • Referral from VA • VA provides case management 	<ul style="list-style-type: none"> • Participant rolls into CHA's general voucher allocation upon satisfactory completion of case management
Homeless Preference Vouchers	150 Vouchers	<ul style="list-style-type: none"> • Designed for homeless individual/family • Applicant must apply through CRHC's Coordinated Entry System • Case management required - documented through MOU between CHA and agency 	<ul style="list-style-type: none"> • Participant rolls into CHA's general voucher allocation upon satisfactory completion of case management
Mainstream Vouchers	40 Vouchers	<ul style="list-style-type: none"> • Designed for non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings (hospitals, jails, etc.), at serious risk of institutionalization, homeless, or at risk of becoming homeless. 	<ul style="list-style-type: none"> • Aligns with FUSE Initiative • Participant rolls into CHA's general voucher allocation upon satisfactory completion of case management
Family Unification Vouchers	70 Vouchers	<ul style="list-style-type: none"> • Designed for youths aging out of foster care and at risk of becoming homeless • Applicant must apply through CRHC's Coordinated Entry System • Also designed for families who may lose children to DCS for lack of decent housing and for families who cannot reunite with children because of lack of decent housing • DCS must provide case management 	<ul style="list-style-type: none"> • Participant rolls into CHA's general voucher allocation upon satisfactory completion of case management
Single Room Occupancy	10 Vouchers	<ul style="list-style-type: none"> • Designed for homeless victim of domestic violence • Collaboration between PFCA and CHA 	<ul style="list-style-type: none"> • After one year in good standing participant may request a mobile voucher
FUSE Initiative	50-100 Vouchers	<ul style="list-style-type: none"> • Designed for frequent users of jails and hospitals with severe and persistent mental illness • Wraparound services provided by ACT Team 	<ul style="list-style-type: none"> • Broad base of partners: Hamilton County Sheriff's Office, City of Chattanooga, BCBST, CHI Memorial, Erlanger and more
Public Housing First Program	85 units	<ul style="list-style-type: none"> • Designed for homeless individuals and families • Case management required - documented through MOU between CHA and agency 	<ul style="list-style-type: none"> • Preference in admission • Tenant moves to CHA's general public housing program upon satisfactory completion of case management

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Data show homelessness among racial groups to be within ten percentage points of that for the group’s representation in the City population. However, HMIS data indicate adults experiencing homelessness without children are more likely to be White, whereas the majority of adults experiencing homelessness with children are African American.

Race	Number	Percentage	Homelessness
White alone (not Hispanic)	92,346	55.53%	63%
Black or African American alone (not Hispanic)	57,738	34.72%	29%
American Indian and Alaska Native alone (not Hispanic)	299	0.18%	
Asian alone (not Hispanic)	3,296	1.98%	2%
Native Hawaiian and Other Pacific Islander alone (not Hispanic)	38	0.02%	
Some other race alone (not Hispanic)	162	0.10%	
Two or more races (not Hispanic)	2,546	1.53%	6%
Persons of Hispanic Origin	9,873	5.94%	4%
Total	166,298		
2007-11 ACS			

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Discussion:

61% of those surveyed were sheltered in transitional housing (8) or emergency shelter (274). The balance of 181 was unsheltered. Twenty-one percent (20%) of the total persons surveyed identified as being Chronically Homeless. Of the 91 persons identifying as being Chronically Homeless, 23% were unsheltered.

Data presented in this section indicates a continued need for homeless prevention, homeless services, and affordable housing in Chattanooga. The most common place that unsheltered people stay who are experiencing homelessness in Chattanooga is a place not meant for human habitation. This might be a tent, a make-shift shelter under a bridge or overpass, or an awning of a public building. The number of persons living in such conditions doubled between 2016 and 2018.

Several organizations currently provide shelter to people experiencing homelessness during the day. These day shelters will open on winter nights in Chattanooga, but the facilities often reach capacity and do not provide cots or beds for those seeking shelter. Several organizations do provide overnight emergency shelter all year but their capacity is limited and require participants to attend religious services or require sobriety prior to entrance.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Non-homeless special needs populations include the elderly, frail elderly, persons with physical and developmental disabilities, substance abusers, persons with mental illness, and persons living with HIV/AIDS. These families and individuals are living either with families, in group facilities, or independently. They have a wide variety of needs, many of which are being met with public assistance.

Describe the characteristics of special needs populations in your community:

Persons Living With Disabilities:

This group can include all ages, races, and ethnicities. According to 2018 American Community Survey 1-Year Estimates, among the civilian, non-institutionalized population, 16 percent reported a disability. The likelihood of having a disability varied by age from 4.5 percent of people under 18 years old, to 24 percent of people 18 to 64 years old, and 33 percent of those 65 to 74 and 53% for those age 75 and over.

In persons under 18 years old, the most prevalent disability is cognitive difficulty. Between ages 18 to 64, cognitive difficulty and ambulatory difficulty are the most prevalent disabilities.

The population of females with a disability (17.2%) is higher than for males by three percent. As for race or ethnicity, the distribution is higher among African Americans (18.8%) than Whites (14.6%). The estimate for Hispanic or Latino is 4.8%.

The unemployment rate of persons with a disability is more than double what it is for persons without a disability: 6.9%, compared to 3.2% as of November 2019. These numbers compare to 7.7% and 3.3%, respectively, for November 2018.

<https://www.bls.gov/news.release/empsit.t06.htm>,

Mental Illness:

According to the National Alliance on Mental Illness (NAMI):

- **1 in 5 adults** experience mental illness in a given year.
- **1 in 25** struggles with serious mental illness.
- **Approximately 17% of youth ages 6-17** experience severe mental disorders in a given year
- **About 9.2 million adults** have co-occurring mental health and addictions disorders.
- **Approximately 20%** of people experiencing homelessness also have a serious mental illness.

- **19% of U.S. adults with mental illness also have a substance abuse disorder**
- **Approximately 46%** of homeless adults staying in shelters live with severe mental illness and/or substance use disorders.
- **Approximately 37%** of federal and state prisoners have a recent history of a mental health condition.
- **At least 70%** of youth in juvenile justice systems have at least one mental condition.

Source: <https://nami.org/mhstats>

The 2018 County and Region Behavioral Health Prevalence Dashboard produced by the Tennessee Department of Mental Health and Substance Abuse (TDMHSA) reported that between 2012-2014, in Hamilton County, an estimated 20.2% of the adult population (53,225 adults) had mental illness in the previous year. An estimated 5.2% (13,785) had a serious mental illness in the previous year.

The Behavioral Health Safety Net of TN (BHSN of TN) provides core behavioral health services to Tennesseans who lack insurance coverage and meet all eligibility requirements for BHSN of TN. These services are community-based, and inpatient care is not covered. The BHSN of TN is administered through contracts with 15 Community Mental Health Agencies across the state. In Hamilton County, 1,944 adults were assisted in FY 2019. <https://www.tn.gov/behavioral-health/research/tdmhsas-fast-facts-test-3/fast-facts--behavioral-health-safety-net.html>

Local agencies like AIM Center, Mental Health Cooperative, Joe Johnson Mental Health Center, and Helen Ross McNabb, offer employment, education, housing, socialization, and wellness opportunities for adults living with mental illness.

Aim Center is a non-profit, evidence-based mental health program that offers non-clinical supportive services for adults living with serious mental illness. In FY 2019, AIM Center served 1,404 adults in the Chattanooga community to help them lead full meaningful lives while living with serious mental illness including schizophrenia, bipolar disorder, generalized anxiety disorder, post-traumatic stress disorder, and clinical depression.

Helen Ross McNabb, and Joe Johnson Mental Health Centers provide traditional mental health treatment modalities for the mentally ill who are private pay, TennCare recipients, and Safety Net (non-insured). Mental Health Cooperative (MHC) provides services to adults with severe mental illness and children with serious emotional challenges. Johnson Mental Health Center offers a proactive approach in assisting individuals with criminal justice involvement and mental illness through its Intensive Criminal Justice Case Management Program (ICJCM)

Substance Abuse: CADAS (Council for Alcohol and Drug Abuse Services, Inc.) serves approximately 2,500 clients annually, providing medically monitored detoxification and

residential services as well as four distinct therapeutic Intensive Outpatient Program (IOP) programs to meet the needs of clients needing treatment for substance abuse and/or co-occurring condition. Approximately 60-70% of clients at CADAS have co-occurring mental health issues.

Elderly: Elderly are those individuals aged 62 or older. The 2018 ACS 1-Year Estimates Data Profiles puts the elderly population for Chattanooga at 17 percent. The elderly live a distinctive lifestyle requiring numerous supportive services. In the population 65 years and over, ambulatory difficulty, independent living difficulty, and hearing difficulty are the most prevalent, with ambulatory difficulty being the highest at 31 percent. 20% of those 65 and over have independent living difficulty (2018 ACS 1-Year Estimates).

Elderly persons, particularly homeowners, may require home rehab and weatherization to reduce cost burden and support aging in place. These groups may require accessibility improvements to their homes and supportive services for aging in place, including transportation and nutrition assistance. Elderly persons may be especially vulnerable to housing problems, cost burden, and discrimination due to limited income, age-related disabilities, limited mobility, and high health care costs. This group can also be vulnerable to mental and physical abuse. The TDHS/Hamilton County – Adult Protective Services provides protective services to adults who are in danger because of self-neglect, neglect, abuse and exploitation in their home, other’s home and unable to protect themselves

Elderly persons are more likely to live on fixed, very low incomes or require special supportive services to complete their daily routines. This means elderly residents especially need affordable housing options and easy access to service providers.

The CHAS data in Table 6 indicates that 33% of Chattanooga households contain at least one-person age 62 or older. Of these 23,389 households 14% are extremely low-income households (0-30% AMI), and 48% are households with incomes at or below 80% AMI. According to data in Tables 9 and 10 (Cost Burden > 30% and Cost Burden > 50%), of the 20,851 households who are Cost Burden >30%, twenty-eight percent (28%) are elderly households. Of the 11,124 households paying more than 50% of their income for housing, the elderly households make up 28% of this group. Elderly, Cost Burden households are evenly split between renters and homeowner, each at 50%. Sixty-eight percent (68%) are extremely low-income (0-30% AMI).

Domestic Violence: According to the 2018 Chattanooga Police Department report, there were 1,653 cases of domestic violence consisting of four homicides, 511 aggravated assaults, and 1,653 simple assaults.

The Partnership for Families Children (PFCA) and Adults Domestic Violence and Sexual Assault Hotline operates 24/7/365. In 2018, over 6,100 calls were received; of which 303 were related

to sexual assault, others were related to domestic assault, and community referrals and resources. In 2017 – 2018, through PFCA 1,387 victims of domestic violence received shelter or non-residential support services.

The Chattanooga Family Justice Center (FJC) serves residents of Hamilton County and the City of Chattanooga by locating services in a trauma-informed environment to:

- Address intimate partner and family violence
- Address abuse of older adults through elder justice services
- Address human trafficking

FJC also have bilingual staff to serve growing Hispanic/Latino population. These agencies are the primary service providers for victims of domestic violence and sexual assault in Chattanooga.

Latinx Community: La Paz Chattanooga has been the only organization specifically focused on the growing Latinx demographic for 15 years. In 2015, La Paz established the area’s first Latino Family Resource Center (FRC) in partnership with the City’s Office of Multicultural Affairs. The FRC is consistently assessing the needs of the Latinx demographic in Chattanooga and ensuring the programming is appropriately addressing those needs.”

La Paz is helping solve several issues within Chattanooga. “Families we work with are facing many challenges. For example, Latinx residents in our city are more likely to face poverty, language barriers, and discrimination preventing them from integrating into our city. Nationally, Latinx students are less likely to graduate from high school. In addition, mental health resources in Spanish are scarce and stigmatized within Latinx populations.

The center can meet immediate needs through culturally and linguistically tailored case management, educational workshops, and trusted information and referrals. Programs include English as a Second Language, Literacy, Citizenship Education, Computer Literacy, and Job Readiness.

The FRC served over 9,000 individuals in 2019, compared to 6,000 in the previous year. FRC staff serve as liaisons between the Latinx community and other institutions in the Chattanooga area, such as Metropolitan Ministries, Catholic Charities and the United Way of Greater Chattanooga. Receiving an average of 775 calls per month, the center serves as a place for information about other organizations, businesses, medical clinics and more.

AIDS/HIV

The Center for Disease Control and Prevention (CDC), HIV Surveillance Report – 2018, indicates, during 2014–2018, the annual number and rate of diagnoses of HIV infection decreased in both the United States and 6 dependent areas. Although numbers and rates decreased overall, diagnoses of HIV infection increased in some subgroups and decreased in others.

According to the latest data from the Tennessee Department of Health, which is 2017, Chattanooga-Hamilton County reported having 1,127 adults and adolescents living with the diagnoses along with 37 new diagnoses. This equates to a rate of new diagnoses of 10.23 per 100,000 persons.

According to the CDC, in 2018 Tennessee had 766 adults and adolescents diagnosed and 17,344 were living with diagnosed HIV infection. The 766 diagnoses in 2018 were up from 724 in 2017. In the Chattanooga SMA, 54 persons were diagnosed, with 1,175 living with the diagnoses in 2018. The rate of diagnoses for the Chattanooga area is 60 per 100,000 persons, compared to the national average of 375.6.

Also, from 2014 through 2018 in the United States and 6 dependent areas, the rate of deaths of persons with diagnosed HIV infection decreased; the number of deaths remained stable.

<https://www.cdc.gov/hiv/pdf/library/reports/surveillance/cdc-hiv-surveillance-report-2018-updated-vol-31.pdf>
<https://www.tn.gov/health/health-program-areas/statistics/health-data/hiv-data.html>

What are the housing and supportive service needs of these populations and how are these needs determined?

These populations have a broad spectrum of characteristics and needs, similar to the population at large. Needs are determined in many ways, including: public forums, consultations, agency interaction, needs assessments through various agencies, in-take processes, surveys, requests for assistance from those in need, and the United Way 211- Call Center.

The goal for the community is to have a system of services and housing that allows individuals in these populations the opportunity for an independent and productive lifespan. Through consultations and public forums, the following were identified as many of the housing and supportive service needs of these populations:

- Group housing,
- Nutritional support,
- Dental care,
- Substance abuse services,
- Clothing vouchers,
- Transitional housing,
- Healthcare,
- Consultation and referral services for Latino population,
- Mental health outreach,

Physical rehabilitation and medical care,
Teen and adult job trainings,
Unemployment and the resulting loss of income/ insurance coverage due to inability to perform job functions,
Extensive medical care and treatment,
Housing and services for adolescents ageing out of foster care,
Rehabilitation programs,
Counseling/ support groups to deal with the problem,
Medical care/prescription medications, straining their already limited income,
Special transportation needs due to medical and physical condition,
Mobility assistance in normal daily activities,

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the State of Tennessee Department of Health's 2017 HIV Disease/STD Surveillance Report, there were 1,127 cases of HIV in Chattanooga/Hamilton County, with 37 new cases reported in 2017. Of the 1,127, twenty-four percent (24%) were female, seventy-five percent (75%) male and 1% transgender. Of the 37 new diagnoses 9 were female and twenty-eight (28) were male.

Race/ethnicity: Hispanic, all races: 5%; Black: 44%; White: 49%; Multiple races/Other/Unknown: 2%.

According to the latest survey of homeless persons, two reported HIV/AIDS. One was sheltered and one was unsheltered.

Discussion:

Non-homeless special needs populations encompass a wide variety of persons and households and cannot be easily categorized except in very general terms. The needs of non-homeless special needs populations, except for a CDBG-funded minor home repair program for elderly, disabled persons, and a small percentage of CDBG and ESG to assist with homeless related housing and services, assistance for homeless are primarily addressed through various programs outside the scope of the Consolidated Plan.

Using general funds, the City provides support to other City departments and numerous nonprofits through the Budgeting for Outcomes Process (BFO) to assist with a wide-range of community needs, including support for the Homeless Services Division and other organizations addressing the needs of those facing homelessness.

Since 2013, Chattanooga Mayor Andy Berke and his Administration have worked to build a City budget that reflects the priorities of the people of Chattanooga and makes more effective use of public dollars through the BFO process.

The BFO process first engages city residents to set priority areas and goals, allocates resources to those areas, and then asks City of Chattanooga Departments and external agencies to submit offers requesting funding to achieve specific results.

Services provided by partner entries and City departments cover a wide range to assist residents from homeless to housed, to sustainability and beyond. These services include, but is not limited to; homeless services, job training, health, nutritional programs, housing assistance programs, educational programs for children and adults, services for seniors, services for single parents, LIHEAP program, and the Foster Grandparent Program.

Needs for these populations are as varied as the populations are themselves and depend on individual situations. However, with the goal for the community being to have a system of services and housing that allows individuals in these populations the opportunity for an independent and productive lifespan, to the greatest extent possible, the City will collaborate with service providers, housing providers, housing developers, and units of state and local government to leverage funding and programs in this plan to achieve that goal.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction’s need for Public Facilities:

The need for parks, recreational facilities, streets, sidewalks, services, and neighborhood facilities are voiced in several existing area plans, community plans, master plans, and reports. The Chattanooga-Hamilton County Regional Planning Agency (RPA) Countywide Comprehensive Plan, along with the Regional Transportation Plan RPA, sets the broader vision and policy for future physical development across Hamilton County. Its six overarching goals are carried forward and serve as a general basis for subsequent Area Plans. They are intended to protect and create communities that are:

1. Complete
2. Connected
3. Healthy
4. Safe
5. Unique and Attractive
6. Economically Vibrant

The Comprehensive Plan also establishes the appropriate level of development intensity across the county, based on the presence of transportation, other infrastructure, and sensitive natural resources.

Across plans and reports, residents expressed the need for investments in the physical environment where they live, and having the ability to access recreational activities, educational opportunities, jobs, and services which encompasses:

- Improved Youth and Family Development Centers - ensuring young people have access to activities near where they live,
- Improved educational facilities,
- Homeless facilities (emergency shelters, a 24/7 low barrier emergency shelter, halfway houses, transitional houses,
- Parks and recreational facilities,
- Centers for the disabled,
- Mental health care facilities
- Senior centers
- Health care facilities
- ADA Accessibility to Public Facilities

How were these needs determined?

The Hamilton-County Public Facility needs - the need for parks, recreational facilities, streets, sidewalks, service and neighborhood facilities are articulated in several existing community plans, master plans, and reports, including, but not limited to:

Chattanooga Department of Transportation Pedestrian and Bike Action Plans,

Chattanooga-Hamilton County Regional Planning Agency (RPA) 2030 Comprehensive Plan,

Chattanooga-Hamilton County Regional Planning Agency (RPA) 2020-2023 Transportation Improvement Program (TIP),

Chattanooga-Hamilton County Regional Planning Agency (RPA) Historic River-to-Ridge Area Plan

Chattanooga-Hamilton County Regional Planning Agency (RPA) People, Places, Paths

Connectivity Study

Chattanooga Homelessness Action Plan

Chattanooga Department of Transportation ADA Self-Evaluation & Transition Plan

Office of Internal Audit 2019 Community Survey Results report

South Broad District Study <https://chcrpa.org/project/south-broad-district-study/>

Between January 2018 and December March 2020 alone, City departments and the Mayor's Office conducted numerous input sessions, community meetings, forums, and surveys of residents, organizations, businesses, and service providers asking for input on community needs and ways of addressing them with available resources.

Along with the public forums and input processes conducted for the Consolidated Plan; the City Internal Audit Department conducted a survey to gain feedback on community needs and services, through the Mayor's Office residents were invited to participate in the City's BFO process which; engages city residents to set priority areas and goals, guides allocation of resources to those areas, and establishes bases on which City of Chattanooga Departments and external agencies submit offers requesting funding to achieve specific results. , and for the Historic River-to-Ridge Area Plan, known as "Area 3" the Regional Planning Agency gathered public input in multiple ways: public meetings, advisory committee feedback, technical advisors and stakeholder meetings, and surveys. The Area 3 Plan covers 17 neighborhoods, included in those are 8 of the City's low- to moderate- income census tracts which make up 37% of the total population of low- to moderate- income census tracts.

Through citizens participations processes for these alone, input was received from a broad range of citizens and stakeholders in identifying needs and setting priorities.

Describe the jurisdiction's need for Public Improvements:

Public improvements/infrastructure, specifically repairs to roads and installation of new sidewalks and walking paths, is always near the top among priorities. Through the same plans and processes outlined above and the Consolidated Plan input process, the following needs were articulated:

- Make improvements to existing parks with more trees, walking paths, restrooms, open play space, and covered picnic pavilions.
- Provide safe and efficient options for transportation to services and jobs.
- There is a need for sidewalk repair, road paving, protected bike lanes, new sidewalks, crosswalks, lights, and bus shelters.
- Conduct a needs analysis to program the expanded park with active recreation uses, passive open space, parking for users, gathering spaces, and a plaza opposite the Howard School campus.
- Park should directly touch 26th Street to strengthen the connection to the Howard School Campus.
- Create a safe pedestrian realm with ample sidewalks, pedestrian crossings, streetscape, and protected bike lanes.
- Redevelop walkable commercial centers, as opposed to drive-up "strip" commercial.

- Improve existing parks and connect them all to centers, schools, employment centers, and neighborhoods with greenways.
- Eliminate vacant or blighted properties through increasing code enforcement.
- Improve street lighting to help residents feel safe

How were these needs determined?

Public improvement/infrastructure needs are described in several existing community plans and reports. Between January 2018 and December March 2020 alone, City departments and the Mayor’s Office conducted numerous input sessions, community meetings, forums, and surveys of residents, organizations, businesses, and service providers asking for input on community needs and ways of addressing them with available resources.

Along with the public forums and input processes conducted for the Consolidated Plan; the City Internal Audit Department conducted a survey to gain feedback on community needs and services, through the Mayor’s Office residents were invited to participate in the City’s BFO process which; engages city residents to set priority areas and goals, guides allocation of resources to those areas, and establishes bases on which City of Chattanooga Departments and external agencies submit offers requesting funding to achieve specific results. , and for the Historic River-to-Ridge Area Plan, known as “Area 3” the Regional Planning Agency gathered public input in multiple ways: public meetings, advisory committee feedback, technical advisors and stakeholder meetings, and surveys. The Area 3 Plan covers 17 neighborhoods, included in those are 8 of the City’s low- to moderate- income census tracts which make up 37% of the total population of low- to moderate- income census tracts.

Through citizens participations processes for these alone, input was received from a broad range of citizens and stakeholders in identifying needs and setting priorities.

Describe the jurisdiction’s need for Public Services:

Public services need identified as through surveys, public in-put and consultation include:

- Employment, including more jobs with better pay, more training, affordable high-quality childcare, and affordable transportation to/from work.
- Obtaining Housing, including increase availability of deposit programs, more community supports for homeless families more programs to make homeownership affordable, and more affordable housing options

- Maintaining Housing, including rent/ utility help, help affording home repairs/ weatherproofing, more accessible housing for those with disabilities, and eviction defense/ prevention programs.
- Community Support Services, including services that target food availability, mental health, substance abuse, childcare, transportation, and domestic abuse.
- Education, including more parental involvement in students' education, more focus on kindergarten readiness, more focus on college/ vocational readiness, and affordable transportation to/from school

How were these needs determined?

The City Community Development Office conducted surveys of residents and service providers asking their input into the ranking process for the variety of uses of CDBG, HOME and ESG funds. The Community Development Division also used survey results from the BFO Public Engagement process and the Homelessness Action Plan. The surveys were available online, at some of the service providers waiting areas and distributed at forums and organization meetings.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

This section provides an analysis of Chattanooga's housing market, including the number, cost, and condition of units, public housing, and homeless and special needs facilities. A discussion of non-housing community development assets and regulatory barriers to affordable housing is also included.

Number of Housing Units: Data from the 2018 ACS 5-Year Estimates indicates that there are 85,059 residential units in Chattanooga, 65% of which are single-unit detached or attached structures, 6.8% are two-unit, and 10.3% of which are in buildings with 20 or more units. Most housing units consist of two-bedroom units (33%) or three-bedroom units (36%). One-bedroom units make up 13% of the total. 47% of occupied units are rental.

Cost of Housing: Median home value in Chattanooga increased 15% from 2009 to 2015, while Median contract rent increased 14%. During this time, median household income increased by 8%. Using more recent data, from 2015 to 2018 median home value increased 10% with median rent increasing 39% and median income increasing by 9%.

Condition of Housing: According to the 2018 American Community Survey, over half of Chattanooga's housing stock (61%) was built before 1980. 63% of owner-occupied households and 58% of renter households live in units built before 1980. Approximately 6.3% (2,256) of renter-occupied units and 2.7% (1,103) owner-occupied units have children under the age of 6. Renter-occupied units (49%) have at least one reportable condition compared to 24% of owner-occupied units.

Public and Assisted Housing: The Chattanooga Housing Authority (CHA) provides public housing opportunities and related housing services through its Low-Income Public Housing Program to individuals and families of low, very low, and extremely low income in Chattanooga. The CHA also provides subsidized housing opportunities through its Housing Choice Voucher Program to individuals and families of very low and extremely low income throughout Hamilton County, TN.

CHA maintains a centralized waitlist for its owned and managed public housing units. As of May 31, 2020, there were 3,197 applicants on the LIPH Waitlist, 58% of whom sought one-bedroom units. CHA also maintains the waitlist for the Housing Choice Voucher program. The CHA last opened its HCVP waitlist on January 15, 2020. The CHA received a total of 4,873 on-line

applications. 1,500 applicants were randomly selected from the pool. The most immediate need is for 1-bedroom units.

Homeless Facilities and Services: Section MA-30 provides an overview of supportive services and housing resources available to homeless persons, including a list of primary service providers and the number of shelters, transitional and permanent supportive beds that are targeted to homeless households.

Barriers to Affordable Housing: This section provides a summary of regulatory barriers to affordable housing. The Analysis of Impediment to Fair Housing Choice, found in the Appendices of this plan, also provides analysis of barriers to affordable housing. A summary of the strategy to address these barriers can be found in Section SP-55.

Non-Housing Community Development Assets: This section provides an overview of Chattanooga’s economy, including business activity, employer needs with respect to the workforce and technological infrastructure, and training programs intended to address the workforce needs of local employers.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

This section provides information on the affordability and condition of the housing market in the City of Chattanooga. Many of the data tables were populated by HUD using the American Community Survey (ACS) and the Comprehensive Housing Affordability Strategy (CHAS) five-year (2011-2015) data set. When available, more current ACS data is included.

The local housing market affects the availability and affordability of housing. In Chattanooga, the housing market has rebounded from the foreclosure crisis of the last decade. With that recovery, housing prices have increased, with a drastic increase in rents. Even with the near historically low mortgage interest rates, many low-income households are not able to purchase a home, and many are competing with higher-income households for rental units.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	48,980	60%
1-unit, attached structure	3,140	4%
2-4 units	10,005	12%
5-19 units	10,260	13%

Property Type	Number	%
20 or more units	7,345	9%
Mobile Home, boat, RV, van, etc	1,599	2%
Total	81,329	100%

Table 32 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS, 2014-2018 ACS

In comparison to the data in the table above, data from the 2018 ACS 5-Year Estimates indicates that there are 85,059 residential units in Chattanooga, 65% of which are single-unit detached or attached structures, 6.8% are two-unit, and 10.3% of which are in buildings with 20 or more units.

Data from the 2018 ACS 5-Year Estimates indicate most housing units (69%) consist of two-bedroom units (33%) or three-bedroom units (36%). One-bedroom units make up 13% of the total. This is not a significant change compared to the 2011-2015 ACS data below.

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	128	0%	1,425	4%
1 bedroom	620	2%	7,200	22%
2 bedrooms	8,250	22%	14,970	46%
3 or more bedrooms	28,535	76%	9,095	28%
Total	37,533	100%	32,690	100%

Table 33 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Units Affordable to Households Earning	Owner	Renter
30% HAMFI	No Data	3,540
50% HAMFI	2,625	8,715
80% HAMFI	9,075	21,455
100% HAMFI	13,033	No Data
2007-11 CHAS		

Table 34 - For CHATTANOOGA (CDBG Grantee) - Units Affordable to Households Earning

	2018	Number or Renter Households Falling Within These Ranges
30% AMI	\$18,500	8,677
50% AMI	\$30,850	5,986
80% AMI	\$49,350	10,346

	2018	Number Owner Households Falling Within These Ranges
30% AMI	\$18,500	2,726
50% AMI	\$30,850	3,493
80% AMI	\$49,350	8,878

City of Chattanooga Household Incomes In 2018 Inflation-Adjusted Dollars 2018:ACS 5-Year Estimate		
Income Range	% of Chattanooga Household Within These Ranges	What Households Can Afford At 30% of Income
Less than \$10,000	8.60%	\$ 0 - \$250
\$10,000 to \$14,999	7.00%	\$250 - \$375
\$15,000 to \$24,999	13.00%	\$375 - \$625
\$25,000 to \$34,999	11.70%	\$625 - \$875
\$35,000 to \$49,999	14.70%	\$857 - \$1,249
\$50,000 to \$74,999	17.40%	\$1,249 – 1,875
\$75,000 to \$99,999	9.70%	\$1,875 - \$2,500
\$100,000 to \$149,999	10.30%	\$2,500 - \$3,750
\$150,000 to \$199,999	3.30%	\$3,750 - \$5,000
\$200,000 or more	4.30%	\$5,000 -

Table 34 A – What Households Can Afford to Pay for Housing

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The City has used CDBG, HOME, and City general funds to develop, or support the preservation and production of affordable housing units for households ranging from 0 to 80% AMI with the majority of these being below 60%. The City’s policy has been to make funding for housing activities available on a city-wide basis, verse requiring a concentration. There are pros and cons to this approach. One con being the difficulty in demonstrating focused impact, and the pro being this allows eligible residents to benefit, no matter what area they choose to live in. However, partner entities do tend to concentrate their efforts on specific areas of the city. Recent housing actives include the following rental and homeownership units.

- 23 households were assisted in purchasing a home – majority < 80% AMI
- 30 new homeowner units were produced - all <80 AMI

- 510 households were assisted with minor to substantial rehab to their homes – all < 80% AMI
- 941 affordable rental units preserved or produced – all <80% AMI, many <60% AMI

92% (862) of the rental units preserved or produced were done so through the City Payment in Lieu of Taxes Program (PILOT). The Residential PILOT Program is a financial incentive that is designed to encourage multi-family rental development by “freezing” property taxes at the predevelopment level for a predetermined period of time. Under earlier requirements of the program developers were required to include at least 20 percent affordable units in residential development projects. In 2015 changes to the expanded the eligible development area to encompass the entire city and required a minimum of 50 percent affordable units. The units must be affordable to tenants with incomes that do not exceed 80% AMI.

Though the State (THDA) 2,163-affordable housing units are available in Chattanooga, as a result of Low-Income Housing Tax Credits (LIHTC). The LIHTC Program provides a financial incentive for the construction or rehabilitation of affordable housing for households earning 60 percent or less of area median income (AMI). LIHTC projects must meet the definition of a qualified low-income project by setting aside at least 40 percent of the units for renters earning no more than 60 percent of the AMI or 20 percent of the units for renters earning 50 percent or less of the AMI. Developments must remain in low-income use for as long as 30 years.

A survey through which 26 responses were received, 57.7% from for-profit entities and 42% non-properties, provided this feedback:

1. What housing market do you generally serve?

Income restricted	68%
Income-restricted special needs	40%
Entry-level	48%
Move-up	28%
Luxury/custom	16%
Vacation/Second	4%

2. Type(s) of housing products(s)?

Single-family construction (1-unit) for rental	8
Single-family construction (1-unit) for homeownership	9
Single-family renovation (1-unit) for rental	9
Single-family renovation (1-unit) for homeownership	7
Small multi-family construction (2-4 units) for rental	2
Small multi-family renovation (2-4 units) for homeownership	1
Small multi-family renovation (2-4 units)	8
Multi-family construction (5 or more units)	6

Multi-family renovation (5 or more units) 5

3. How many single-family detached units has your agency preserved since January 2018?

Responses; Ranged 0-55

4. How many additional units do you plan to bring online by the end of 2025?

Responses:	
4	20
5	200
1-5	250
6	1,000
10 (2)	
20-40	
20-30 single, detached	
30	
65	
20 – 50 tiny homes	

5. Locations of proposed activities?

East Chattanooga, Hixson, Red Bank, Soddy Daisy, East Brainerd, N. Chattanooga, Alton Park, Orchard Knob, all within core urban neighborhoods. Downtown, St. Elmo, Ridgedale, Oak Grove, Churchville, E.Lake

6. HOMEOWNER HOUSING: If applicable, what was the price range of the most recent units constructed/renovated for sale?

38.5%	\$101,000 - \$140,000
23.1%	< \$100,000
15.4%	\$201,000 – 240,000
7.7%	Over \$350,000

7. RENTAL HOUSING: As applicable, what is the monthly rent that is charged?

1 bedroom	\$500 - \$700
2 bedroom	\$700 - \$900
3 bedroom	\$700 - \$900

8. How serious is housing affordability on scale of 1 to 5; 5 being very serious?

- 1. 0
- 2. 0
- 3. 29.2%
- 4. 37.5%
- 5. 33.3%

9. To what extent do prospective home buyers consider the following issues as obstacles to buying your homes? (Order by which considered major concern)

1. Qualifying for a mortgage
2. Price of home
3. Down payment

10. Concerns in regarding to keeping costs down

1. Permitting/approval process
2. Development standards - streets, sidewalks
3. Land use zoning

11. What do you think can/should be done to make housing more affordable?

- more funding for lower income people
- If nonprofit organizations like us can get more Grant funding, then we can increase the stock of affordable homes for ownership.
- Help turn renters to buyers
- Increase by right density so land cost can be less as a percentage of the total cost of the unit.
- Raise minimum wage. More affordable houses
- Federal, state and local subsidies
- more willing contractors with less supply and demand and increase the funding unit max cap.
- 15 year property tax abatements in certain neighborhoods to promote investment
- Gap financing is critical. Federal Government needs to lock the 4% LIHTC rate. The State needs to provide gap financing to help develop
- smaller houses, smaller lots
- Continuation of use of Federal HOME & CDBG for housing preservation
- City could negotiate discounts for materials, develop a land trust and eliminate permitting fees for affordable housing developers
- Innovative zoning
- increase the supply, educate people
- Allow tiny homes on private property, allow tiny home communities with a clear plan for both the renter and buyers in the same development. Keep order with an HOA type management.
- I don't know.
- The minimum wage is too low relative to rising rent costs; one 'has to give' (change).
- Seems to be no ability in government to remove their bureaucratic stranglehold on making processes palatable for private sector. Government wants out of management burden associated with affordable housing supply but in turn wants to make it 4 times more problematic for private producers and suppliers of affordable housing they want furnished to meet the demand
- larger subsidies, increased density, tax relief for all income restricted projects

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

According to the National Resource Network Team (2016), there are 2,108 federally subsidized units that are at risk of expiring by 2030, and the majority will expire between 2016 and 2025, putting more families at risk of losing their homes, and soon. Since the publication of the National Resource Network Team's 2016 report, over 100 units' subsidies have already expired.

The Chattanooga Housing Authority faces significant challenges with its two oldest and largest sites: College Hill Courts and East Lake Courts. College Hill Courts, opened in 1940, consists of 497 units of low-income public housing for families. East Lake Courts, opened in 1940, consists of 417 units of low-income public housing for families.

At both sites, there exist structural deficiencies, substantial deterioration and other design and site problems that cannot be addressed without significant financial investments to preserve the properties into the future. Specifically, it is estimated that \$50 million would be needed at College Hill Courts and \$35 million at East Lake Courts to renovate and preserve the properties for the long term.

Disposition and demolition of the properties, or portions thereof, will allow the CHA to create affordable units mixed use environments, using private funding, Low Income Housing Tax Credits, and injection of funds from other investors/developers.

Although there is no immediate plan for an application for demolition/disposition at East Lake Courts, CHA plans to work with the City of Chattanooga to develop a plan for the demolition/disposition of College Hill Courts in phases over the next few years. This work is expected to be accomplished in conjunction with the redevelopment of the West Side. The process will involve resident input at all stages and include a relocation plan for residents in all phases to ensure that appropriate off-site housing or vouchers are available before relocation and/or demolition.

CHA plans to engage consultants to facilitate resident communication, stake holder involvement and involvement of urban planners and real estate developers at some stage to develop an over-all plan in preparation for new construction. The current plan is to submit a completed application to HUD in 2020 which will require extensive resident participation; property physical needs assessment, environmental review and appraisal.

Does the availability of housing units meet the needs of the population?

The data shown in Tables 32, 33 and 34 would lead one to conclude that with a total of 81,239 units, compared to the total number of households in City of 71,235 that there should be a surplus of housing units available. However, more recent data paint a truer picture.

While housing prices have increased steadily every year since the City and the nation exited the recession, available inventory of homes keep dropping. The twin factors of dwindling supply and upward pricing pressure make housing harder to reach for lower-income families.

By the given data it appears that there is an ample supply of units affordable to low-income (50%-80%). Using the 30% guideline, these households make \$37,020 to \$49,350 annually, and can afford monthly rents between \$925 and \$1,543 without being cost burdens.

However, in 2018 the hourly wage necessary for a 2-bedroom apartment at fair market rent was \$15.50, meaning at the current fair market rent of \$806, a person would need to work 2.1 full time jobs at minimum wage to afford a 2-bedroom apartment.

	2018	30% - Available to Cover Housing
Area Median Income (AMI) –Household of 4	\$61,700	\$1,542
30% AMI	\$18,500	\$462
50% AMI	\$30,850	\$771
60% AMI	\$37,020	\$925
80% AMI	\$49,350	\$1,543
		Median Rent \$827.00

In addition to the price related challenges, the supply of affordable units is constrained by a mismatch between who can afford these units and who occupies them. With these units being occupied by households at higher income levels it puts additional pressure on the supply of affordable units for low-income households. This coupled with the fact that many of these “available units” are in substandard condition. 77% of the 4,049 vacant housing units (on the market more than 90 days) have been vacant for longer than two years, indicating that many are not habitable.

It is apparent that the City lacks enough units for extremely low and very low-income renters – those households making at or below 0-50 percent or area median income. Like most cities, Chattanooga relies on the Chattanooga Housing Authority to serve this population.

Units for households with lower incomes often require support services or deeper subsidies or cross-subsidizing, which requires sophisticated expertise to finance and develop. CHA cannot do this alone.

Describe the need for specific types of housing:

Different family types want different housing types, and most of our construction delivers either single family detached homes or large apartment buildings. Smaller projects such as townhomes or quadplexes make up less than 10% of the residential permits that were pulled by developers between 2010 and 2017. <https://connect.chattanooga.gov/housingconference/>

Shown in the data below, taken from the Chattanooga Housing Authority’s LIPH waitlist of 3,197, demands for one- and two-bedroom units make up 85% of requests. 56% of those on the LIPH list are requesting a 1-bedroom unit and 27% a two-bedroom unit.

Chattanooga Housing Authority LIPH Waitlist						
0 Br	1 Br	2 Br	3 Br	4 Br	5 Br	Total
6	1842	885	415	43	6	3,197
0.2%	57.6%	27.7%	13.0%	1.3%	0.2%	% of Total

The CHA last opened its HCVP Waiting list on January 15, 2020. The CHA received a total of 4,873 on line applications. The CHA randomly selected a pool of 1,500 applicants. The CHA processes applications by the randomly assigned numbers, beginning with 1 and ending with 1,500. There are no preferences recognized on this list. By June 1, 2020, the CHA expects to process the first grouping of 250 applicants and will start on the next group of 250 applicants in the near future.

This is in line with other data showing that demographics and housing preferences in our community are changing. Persons living alone make up 38% of households all households and 39% of those households consist of persons age 65 and older. Also, the average number of person per household is declining.

Additionally, many people are choosing to rent for a variety of reasons. A 2016 Real Estate Market Study for Hamilton County note that over the next ten years there is a potential demand for up to 1,200 new apartments annually.

Many people, especially Millennials, want to live in walkable communities near work, and other amenities. All of these shifts impact the demand for housing, but despite these changes in

household size and housing preferences, much of our existing housing stock is single-family detached.

While detached single-family homes will continue to be Chattanooga's primary housing choice option, two key housing drivers (Baby Boomers/Generation Y) representing over 60% of the population will present a growing demand for apartments and smaller housing units located in communities with more convenient access to daily needs.

Discussion

It's no secret that across the United States, downtown urban centers are revitalizing at alarming rates, often pushing out the lower income residents who occupied the area for decades. An unintended consequence of urban revitalization is many people are getting priced out of their own neighborhoods.

As stated in the *Housing Connections Report* – "solving our affordable housing crisis relies on a firm understanding of the economic realities in Chattanooga and across our region. Since the recession, housing prices and cost of living have risen while wages have remained stagnant. This unfortunate reality is creating barriers to homeownership and demand for increased housing options for Chattanoogaans." An outreach campaign to educate our community on affordable housing needs will lead to a firmer understanding of the issue and need for updating zoning standards to meet the demand for housing.

The report goes on to state that the way to address this is to increase and diversify housing types. However, there challenges to accomplishing this, which include: (1). Lack of political will and awareness, (2) Single use zoning limiting housing options, and (3). Zoning standards restricting housing development. The recommendations presented to address these challenges are as follows:

Increase Community Awareness and Political Will

- Initiate a community education and outreach campaign to convey affordable housing information.
- Synthesize information from the RPA Housing study, the Housing Connections conference, and other resources into a citizen friendly housing information guide.

Create New Residential Zoning

- Develop a new urban residential zone that allows for 1-4 dwelling units per lot by right, subject to appropriate urban development standards. This new zone would serve as a baseline residential zone (as opposed to current R-1) for urban neighborhoods.

Modify Existing Residential Zoning

- For suburban areas, consider modifying the current R-1 to at least allow Accessory Dwelling Units (ADU).

The neighborhoods with the highest investments are seeing big increases in newer residents with higher incomes. Zip code 37408, the historic Southside community, is facing the one of the fastest gentrification rates in the county. The Thomas B. Fordham Institution studied the population shift and found that the racial composition changed from 7.2% white in 2000 to 45.9% white in 2010. The influx of middle class, affluent whites in this area has led to unaffordable housing costs and unequitable developments. The National Resource Network cited that an increase of residential building permits in the St. Elmo, Northshore, and Highland Park neighborhoods will speed up market activity and lose affordable housing.

All of this suggests the need for increasing the number of smaller, affordable units and creating incentives to make more units available to low and extremely-low income residents. This will have to be done through the development of new units and/or rehab of substandard units and increased supplements/incentives to make more units available on the market affordable to households with incomes < 80% AMI.

Chattanooga Housing Authority LIPH Waitlist						
0 Br	1 Br	2 Br	3 Br	4 Br	5 Br	Total
6	1842	885	415	43	6	3,197
0.2%	57.6%	27.7%	13.0%	1.3%	0.2%	% of Total

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Median home value in Chattanooga increased 15% from 2009 to 2015 and 10% from 2015-2018. During this time, median household income only increased by 8% and 9% respectively. Rent increases were a bit more dramatic with a 14% increase from 2009 to 2015 and a 39% increase from 2015 to 2018. The rising cost of rental housing is far outpacing increases in income.

	Base Year: 2015	Most Recent Year: 2018	% Change
Median Home Value	145,000	160,100	10%
Median Contract Rent	594	827	39%

Data Source (2011-2015 American Community Survey 5-Year Estimates) (2014-2018 American Community Survey 5-Year Estimates)

In Chattanooga, 54 percent of renter households (17,659 households out of 32,834), paid between \$500 and \$999 per month in rent. Less than 11 percent of the rental housing stock was affordable to households earning less than 30 percent of the area median income. No homes were priced in a range that would be affordable for a household earning less than 30 percent of the area median income.

Tables in this section are pre-populated with 2007-2011 data from HUD, but because the changes in rental housing have been so drastic in Chattanooga, more recent data from the 2009-2013 ACS is being used to supplement this data.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	126,500	145,000	15%
Median Contract Rent	523	594	14%

Table 35 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	12,062(5,307)	36.9%(16.2)
\$500-999	17,345(17,659)	53.0%(53.8)
\$1,000-1,499	2,418(8,270)	7.4%(25.2)
\$1,500-1,999	470(1,192)	1.4%(3.6)

\$2,000 or more	410(406)	1.3%(1.2)
Total	32,705(32,834)	100.0%

Data Source: 2005-2009 ACS (Base Year), 2014-2018ACS (Most Recent Year)

Table 36 - Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	3,485	No Data
50% HAMFI	9,245	3,415
80% HAMFI	21,925	9,475
100% HAMFI	No Data	13,937
Total	34,655	26,827

Table 37 – Housing Affordability

Data Source: 2011-2015 CHAS

2018		Number or Renter Households Falling Within These Ranges
30% AMI	\$18,500	8,677
50% AMI	\$30,850	5,986
80% AMI	\$49,350	10,346
2018		Number Owner Households Falling Within These Ranges
30% AMI	\$18,500	2,726
50% AMI	\$30,850	3,493
80% AMI	\$49,350	8,878

Data Source: 2018 ACS 5-Year Estimates

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	585	694	847	1,099	1,344
High HOME Rent	585	694	847	1,099	1,220
Low HOME Rent	585	636	763	881	983

Table 38 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

There is a severe shortage of affordable rental housing for extremely-low households (< 30% AMI) in Chattanooga. Data in the previous section indicates that there are 8,677 renter

households at or below 30% AMI, however only 3,485 rental units are affordable to this income group. This indicates that at least 60% of renter households in this income group do not have access to an affordable unit. This data does not take unit size into account, so the actual gap between the number of extremely low-income households and the number of appropriately-sized units that are affordable to those households is likely larger than the data indicates.

The shortage of affordable rental units for extremely-low income households (< 30% AMI) is likely to result in a shortage of affordable rental units for low-income households (30 – 50% AMI) as well, since there are not enough affordable units at the 30 -50 % AMI price range to accommodate both households in that income range and the extremely low-income households that do not have access to an affordable unit.

As would be expected, the lowest income households have the least housing stock from which to choose, clearly not enough to meet the needs of the community. With no homes priced at a level affordable to those earning below 30 percent of the area median income, rental housing is the only option.

The data show that less than 11 percent of rental units are affordable to those earning less than 30 percent of the area median income. With limited housing stock, many households are forced to spend more of their income on housing expenses, moving up to higher priced rental housing. This creates a cost burden for those households. In many cases it creates an extreme cost burden, requiring more than 50 percent of their income for housing. This along with the CHA's LIPH waitlist of 3,197 and HCVP waiting list of 1,000 (narrowed down from 6,533 lottery applicants) is evidence there is not sufficient housing/access to affordable housing for households at all income levels, particularly for low income households because they are competing with many others for units in price ranges they can afford.

Some of this is a result of changes in demographics and lifestyles. People are living longer, household sizes are shrinking, people are more likely to delay marriage, have fewer children or live alone more so than they were forty years ago. Renter household size went from 2.26 persons per household in 2010 down to 2.24 by 2018. Families with both a husband and wife living with children declined from 49% of households in 2010 to 34.5% in 2018. Families headed by a single mother have declined.

While there appears to be more units than households, analysis of the data show that there is a mismatch in regards to the populations occupying housing that they can afford. Thus, low income households are block out units that are affordable to them.

Also, it has to be taken into consideration that the data provided is dated and cannot properly reflect the quick and constant changes taking place in the housing market. The majority of the most recent data used in this report is from 2018 ACS Estimates. The median rent is shown \$827.00 when in recent months, during the preparation of this Plan, it is shown to be close to \$1,250.00, which even more so magnifies the plight of the low- to moderate-income households.

Based on this the City will need to consider strategies to diversify housing options for all income levels to free up more rental units for the extremely-low, and more rental and homeowner units for low-income households. To address this will require a public-private, collaborative effort between governmental, non-profit and for-profit entities.

One of the seven areas covered in the Housing Connections Report was expanding affordable housing supply. The challenges noted covered: (1). Funding, (2). Lack of incentives to build affordable housing, and (3). Communication. Recommendations provided to address these challenges consisted of:

Improve Funding

- Develop sources of funding for the Affordable Housing Fund such as creative taxing structures or a loan fund for developers and landlords.
- Develop better relationships with lenders and appraisers. Inform these stakeholders of the benefits in partnering with the City and investing in distressed neighborhoods.
- Improve relationships with agencies that work in the housing sector.

Adjust Incentives

- Create incentives for developers and landlords to build and rent affordable units
- Consider fee waivers, expedited permitting, more flexible zoning or low-interest renovation loans to developers willing to build affordable housing units.

Improve Communication

- Improve education with lenders appraisers, developers, investors and residents to create opportunities for investment in affordable housing.
- Monitor and continually inform and update the public about housing market.
- Improve communication between the City and neighborhood associations to expand understanding of future housing needs.

How is affordability of housing likely to change considering changes to home values and/or rents?

The cost of new housing has increased in recent years due to rising prices for building materials, labor, increasing costs of land, and regulations. These costs make it very challenging for developers to build low-priced, single-family housing, which in turn presents a challenge for many residents. Rental rates are also going up as land values in desirable neighborhoods increase, and property owners adjust their prices to reflect those changes. Households in the lower income groups tend to be renters, spend more of income on housing than homeowners, and are concentrated in the central city where demand is increasing.

Median home value in Chattanooga increased by 10% from 2015 to 2018, while median contract rent increased by 36%. During this time, median income increased by 9%. Families are working more than one job per income earner to increase household income. This disproportionately affects low-income households.

It is very unlikely that future costs associated with preservation or produce affordable housing will be declining. However the federal resources the City receives has continued to decline over the years. To adequately preserve and expand affordable housing in Chattanooga, sufficient funds need to be allocated to address the issue. Bolstering the Affordable Housing Fund is one of the top recommendation in the Housing Connection Report. Seeing the three major challenges to having sufficient funding as being; (1) No dedicated funding source, (2) Lack of competitiveness, and (3) Lack of entities, the following recommendations were outlined as possible solutions:

Identify Dedicated Funding Source

- Identify dedicated funding for the City's Affordable Housing Trust Fund
- Consider instituting fees such as a title transfer fee, short-term vacation rental fee, or impact fee to support the Affordable Housing Trust Fund.
- Consider altering Tax-Increment Financing (TIF) requirements from entities receiving city funding.

Improve State Support for Local Projects

- Increase competitiveness for state financial support by increasing transparency and communication about potential projects
- Schedule and institutionalize regular local workshops with THDA for continuing education and information about ongoing programs.

Strengthen Local Entities

- Consider a feasibility study for initiating a community land trust in Chattanooga.

- Consider using the Land Bank Authority to incentivize developers to build affordable housing.

The city can further assist local projects by facilitating communication between state government and local stakeholders to increase the likelihood of winning grants for affordable housing projects. To best combat the unique affordable housing challenges in Chattanooga, the city should consider creatively employing city assets like the Land Bank Authority and examining the feasibility of other mechanisms that have been successful in peer cities

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

According to HUD 50th Percentile Rent Estimates (2019) for Chattanooga, median rent for a unit with zero bedrooms is \$585, with one bedroom is \$636, with two bedrooms is \$763, with three bedrooms is \$881, and with four bedrooms is \$983. With the exception rents for zero bedrooms, median rents are higher than FMR and HOME rents in all cases.

The 2019 Out of Reach report published by the National Low Income Housing Coalition states that the amount of rent affordable to a household at 30% of AMI is \$526 in Chattanooga MSA. This amount is lower than the median rent, FMR, or HOME rent for a unit of any size. This indicates a great need for additional affordable units as well as anti-poverty programs. The report also estimates that the median household income for renter households is \$30,806. At this wage, a household can afford \$770 in rent, or approximately median rent for a one-bedroom unit.

According to 2009-2013 ACS data, the median rent for Chattanooga is \$724. The median rent covers all unit sizes while HOME and Fair Market Rents are shown by unit size, indicated by the number of bedrooms. HOME and Fair Market Rents compare favorably to the area median rent of \$724 for units with three or more bedrooms but not for units with fewer bedrooms. As alluded to previously, currently, there is a greater demand in the community for smaller units (units with fewer than three bedrooms) than for larger units.

In a tight rental market, where demand exceeds supply, property owners can demand higher rents, which can exceed the set HOME rents. In such a market, the City has to strategically address this challenge through incentivizing the development and preservation of affordable units.

Discussion

If home values and contract rents continue to rise faster than median income and wages, the need for affordable housing for lower income households will likely continue to rise, particularly if other economic factors remain constant. The City of Chattanooga will need to revise development policies to promote more infill housing development that would include a greater variety of housing options.

Moving forward, in order to ensure adequate housing supply and to fully accommodate growing housing needs within the city, the City will need to consider a combination of neighborhood revitalization, property assembly, incentives and code modifications to promote the redevelopment of these properties along with programs such as job training and anti-poverty services to reduce the number of extremely low-income households.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

The following section describes the characteristics of the housing stock in Chattanooga, including the condition, age, and number of units affected by lead-based paint hazards.

Seventy-seven percent of the owner-occupied housing stock and 64 percent of the renter-occupied housing was built prior to 1980, placing the age of that housing at more than 30 years old, much of it many years older. As the housing stock ages, water infiltration and many other factors can cause rapid deterioration of housing units, particularly where the residents do not or cannot provide needed maintenance. In some areas of Chattanooga, the housing stock may exceed 50 years of age and the median income of the residents of those areas may be less than 50 percent of the area median income.

In these situations, it is likely that housing conditions generally throughout these areas are poor. Housing condition surveys conducted by the City in past years confirm this eventuality. In large areas of Chattanooga one can find many homes with poor external conditions which suggest equally poor internal conditions. The City operates owner and rental rehabilitation programs that target these areas to improve the basic housing stock found in the city.

Units before 1980, could also have lead-based paint hazards present and endanger the health of children. The data below indicates approximately 9 percent of children living in owner occupied housing and 4 percent of those in rental occupied units are susceptible to lead-based paint hazards.

Definitions

Substandard condition is defined as a combination of incomplete kitchen or plumbing facilities, missing windows or exterior doors, severely compromised foundations, outdated electrical infrastructure, holes in floors or walls, and holes in roof or severely compromised roofing materials preventing closure from weather penetration. Many units with a combination that includes all these conditions may be unfit for human occupation. Some may be candidates for rehabilitation, others may not. Substandard condition suitable for rehabilitation would be units where the cost of the combination of needed repairs of all conditions does not exceed the estimated after-rehabilitation value of the house.

It is important to note that the data in Table 39 includes cost burden greater than 30% as a selected condition. Data in the Needs Assessment portion of this plan indicates that cost burden is by far the most common housing problem, thus removing cost burden from the list of selected conditions would result in the vast majority of owner-occupied and renter-occupied units having no selected conditions

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	8,820	24%	14,915	46%
With two selected Conditions	170	0%	950	3%
With three selected Conditions	0	0%	10	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	28,530	76%	16,820	51%
Total	37,520	100%	32,695	100%

Table 39 - Condition of Units

Data Source: 2011-2015 ACS

Households with one of the listed needs (renter)	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	All Households
Substandard Housing - Lacking complete plumbing or kitchen facilities	235	95	440	110	1,095
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	105	120	10	25	324
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	274	130	145	35	775

Housing cost burden greater than 50% of income (and none of the above problems)	4,595	1,760	289	125	6,775
Housing cost burden greater than 30% of income (and none of the above problems)	1,170	2,030	2,505	385	6,240
Zero/negative Income (and none of the above problems)	810	0	0	0	810
2007-11 CHAS					

Table 40 - For CHATTANOOGA (CDBG Grantee) - Households with one of the listed needs (renter)

Households with one or more severe housing problem: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden (owner)	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	All Households
Having 1 or more of four housing problems	1,410	1,330	975	265	4,520
Having none of four housing problems	510	1,780	5,110	3,180	33,520
Household has negative income, but none of the other housing problems	295	0	0	0	295
2007-11 CHAS					

Table 41 - For CHATTANOOGA (CDBG Grantee) - Households with one or more Housing problems: Lacks kitchen or bathroom, Overcrowding, cost burden (owner)

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	5,339	14%	4,225	13%
1980-1999	6,905	18%	7,700	24%
1950-1979	17,530	47%	14,265	44%
Before 1950	7,740	21%	6,505	20%
Total	37,514	100%	32,695	101%

Table 42 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	25,270	67%	20,770	64%
Housing Units build before 1980 with children present	3,332	9%	1,373	4%

Table 43 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units			
Abandoned Vacant Units			
REO Properties			
Abandoned REO Properties			

Table 44 - Vacant Units

Data Source: 2005-2009 CHAS

According to the 2018 ACS, there are 10,617 vacant housing units in Chattanooga, including units that are for sale, for rent, or sold or rented but not occupied. Detailed data for this table is unavailable at this time. It should be noted that according to a 2019 (Tennessee Housing Development Agency (THDA) report put the number at 4,049 and indicated that 77% of these vacancies have been vacant for longer than two years.

Need for Owner and Rental Rehabilitation

There is a significant need for rehabilitation of housing units as evidenced by the age Chattanooga’s housing stock. As demonstrated in Table 42, 20% of Chattanooga’s housing units were built before 1950 and an additional 45% were built between 1950 and 1979. Emergency repair, weatherization and energy efficiency improvements, accessibility improvements, and lead-based paint hazard remediation are needed to ensure affordable and safe housing choices for Chattanooga’s low and moderate income citizens.

In many cases, the neighborhoods with the oldest rental housing stock are home to many low and moderate-income families. Chattanooga’s oldest housing stock is concentrated in the urban core. In large areas of the City one can find many homes with poor external conditions which suggest equally poor internal conditions.

Housing condition surveys conducted by the City in past years confirm this. The City operates owner and rental rehabilitation programs that target these areas in an effort to improve the basic housing stock.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

The data shown in Table 43, indicate that the number of housing units in Chattanooga built prior to 1980, and potentially where lead-based paint hazards might be found, include 67 percent of all owner housing and 64 percent of rental housing. Nine percent of owner housing units and 4 percent of rental housing units built prior to 1980 are occupied by families, a total of over 3,559 housing units. As housing units and neighborhoods age, they typically fall through the income classes from middle- or moderate-income households to lower income households.

Neighborhoods that were once middle class become home to lower income groups as they age. Typically, with some exceptions, the oldest neighborhoods found in a large city are where the

poorest residents are found. As a result, it is reasonable to assume that most of the 3,559 units in Chattanooga built prior to 1980 and occupied by families with children are likely occupied by low- or moderate-income families.

Discussion

There is an overwhelming need for rehabilitation programs in Chattanooga, from minor to substantial home repair to not only stabilize the home, but in many cases to stabilize the households, keeping them housed, and maintaining the entire neighborhood, avoiding its decline. Home repair/improvement programs are currently ongoing through the City's Community Development Block Grant funding, providing owners and landlords loans or grants to facilitate needed repairs. These repairs include minor repairs to substantial improvements that include testing and remediation of lead-based paint hazards in older homes.

Recommendations from the Housing Connections Report

Neighborhoods deserve investment to grow and sustainably thrive, while also maintaining their unique character. Focusing city resources to support homeowners with repair and renovation assistance will help preserve housing stock and encourage continued investment. Additionally, by investing in an owner-occupied duplex program, the city can help create homeowners who will invest and revitalize their neighborhoods.

Address Blight and Disinvestment

Repair & Renovate Existing Housing Stock

- Land acquisition costs and other development expenses are among the factors that make new construction expensive for developers - and therefore for renters and buyers. Increased focus on the repair and renovation of existing housing stock rather than on the construction of new properties.

Convert Blight to Productive Property

- Ensure proper zoning is in place for the owner-occupied duplex program to succeed.
- Institute a City owner-occupied duplex program. This program allows developers to acquire and renovate duplexes which are sold to owners who live on one side and rent out the other side to a low-to-moderate income household.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The Chattanooga Housing Authority (CHA), chartered in 1938 pursuant to the Tennessee Housing Authorities Law, is a public non-profit corporation which carries out public housing and urban development programs as its primary activities. CHA is governed by a seven-member Board of Commissioners appointed by the Mayor of Chattanooga to staggered five-year terms. The Executive Director serves as Secretary to the Board and has responsibility for the administration of the agency, pursuant to Board policy. The average work force is approximately 140 employees.

The CHA provides public housing opportunities and related housing services through its Low Income Public Housing Program to individuals and families of low, very low, and extremely low income in Chattanooga. The CHA also provides subsidized housing opportunities through its Housing Choice Voucher Program to individuals and families of very low and extremely low income throughout Hamilton County, TN.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available			2,923	3,183			294	0	0
# of accessible units									

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 45 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

CHA operates a total of 2,732 public housing units in 11 eleven sites and administers approximately 3,770 Housing Choice Vouchers with housing and utility assistance payments approaching \$25 million annually.

CHA is currently pursuing several initiatives including tax credit development, long term strategic planning, unit re-configurations and modifications, performance contracting for energy conservation methods, and a premier housing initiative.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Average inspection scores for the housing developments range from 83(C) to 100 (A). The CHA currently has 704 project-based vouchers, including those at Dogwood Manor, which serves disabled, handicapped and several other specific populations at various facilities.

Public Housing Condition

Public Housing Development	Average Inspection Score

Table 46 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

This has been a period of great transition in the affordable housing industry. HUD has urged housing authorities to convert traditional public housing properties to the Rental Assistance Demonstration Program (RAD), enabling housing authorities to assume debt on the value of the property’s land and buildings, which is prohibited in the traditional public housing setting. Additionally, the Low-Income Housing Tax Credit Program administered by Tennessee Housing Development Agency has become increasingly important as public housing properties age and renovation is needed to preserve the affordable units long into the future. The following information provides an overview of the available affordable housing associated with the CHA.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

CHA's strategy for improving the living environment of low- and moderate-income families include:

- De-concentrating poverty by bringing higher income public households into lower income developments
- Promoting income mixing in public housing by assuring access for lower income families into higher income developments
- Continuing and enhancing efforts to discourage and eliminate crime and security problems in public housing
- Designating developments or buildings for resident groups (elderly, persons with disabilities).

Additionally, CHA is putting more focus on quality problems identified under the Uniform Physical Condition Standard (UPCS) and HUD REAC inspection protocols. CHA is also moving toward a greater ability to promptly address resident behaviors that are creating health and safety problems.

Discussion:

CHA has shifted the focus of its renovation/modernization efforts to bare minimum preservation of housing. This new approach prioritizes building and structural integrity, as well as plumbing, electrical, and HVAC repairs to ensure building longevity and occupant safety. This new approach is allowing the remaining Capital Funds to have the greatest impact on the preservation of housing. On the operational side, CHA is focused on minimizing vacancy, as well as putting an increased focus on preventative maintenance.

CHA plans to identify additional development opportunities in areas around the City and use any available funding mechanisms for acquisition, including Replacement Housing Funds and/or Demolition/Disposition Transition Funds (DDTF).

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

The following data are the most current count of homeless facilities and housing in Chattanooga.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	89	0	0	437	0
Households with Only Adults	118	160	8	377	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	8	117	0
Unaccompanied Youth	0	0	0	0	0

Table 47 - Facilities and Housing Targeted to Homeless Households

Data Source Comments: 2014 Point in Time Count – 2019 Point-in-Time Count

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Homeless service providers in Chattanooga provide a wide range of housing and services to their clients, including shelters and transitional housing facilities, substance abuse treatment, case management, job training, closets of clothes containing clothing suitable for job interviews, food, and transportation. All depend, to some extent, on mainstream services to supplement those offered in-house. These include transportation services, dental care, legal assistance, health and mental health care, job training, and childcare. Some of these services are offered pro bono from caring professionals. Other services require some payment from the client.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Chattanooga is served by a wide range of organizations, including the City's Homeless Services Division, which address the needs of homeless individuals and families. These include, but are not limited to:

- City of Chattanooga Homeless Services Division – Housing navigation services, coordination of services and housing, supportive services, rent payment assistance
- Hamilton County Health – supportive services, assistance for housing stabilization and rapid-rehousing
- Chattanooga Housing Authority – Permanent housing
- Partnership for Families, Children & Adults - Homeless supportive services, housing, family counseling, services and housing for victims of domestic violence
- Family Promise - Transitional housing, supportive services
- McClellan Family Shelter - Emergency shelter/transitional housing for families
- Metropolitan Ministries – Supportive services, emergency income assistance
- Salvation Army – Supportive services
- Chattanooga Rescue Mission - Emergency shelter
- A.I.M- Transitional housing, permanent supportive housing
- Orange Grove - Permanent supportive housing for persons with physical disabilities
- SETHRA - Permanent supportive housing for families & veterans
- Ward House - Permanent supportive housing for youth aging out of foster care
- Chattanooga Room in the Inn - Emergency shelter for women and children, transitional housing, supportive service
- Chattanooga Outreach - Emergency Shelter

- House of Refuge - Transitional housing, counseling
- Chattanooga Church Ministries - Emergency shelter, respite care, meals, seasonal emergency housing, referrals
- Bradley/Central Community Services - Emergency shelter
- CADAS - Transitional housing, permanent supportive housing, counseling
- HOME Place - Permanent supportive housing
- The Next Door - Transitional housing and services for individuals transitioning from incarceration
- Helen Ross McNabb Center – Services for persons experiencing mental illness, addiction, and social challenges

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Special needs populations in Chattanooga include the elderly, frail elderly, persons with mental, physical, or developmental disabilities, persons with HIV/AIDS, and persons with substance abuse problems. Considering the non-homeless special needs population, many in these populations are currently having their housing and service needs met without or with limited public assistance. Circumstances, however, are subject to change and the more the community prepares for future needs, the better it will be able to meet those needs when they occur.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

The supportive housing needs of special needs populations in Chattanooga vary according to the population. In coming years, the needs of the elderly and frail elderly will increase as the over 65-year-old population grows with the aging of the baby boom population. These needs may include nursing care facilities targeted to lower income households who cannot afford private nursing home care. Permanent supportive housing options for persons with mental, physical, and developmental disabilities may also become a pressing issue as persons with disabilities who previously been taken care of parents lose those caregivers to death or incapacity. With healthcare systems enabling persons with disabilities to live longer, many are now outliving their caregivers - increasing the demand for group housing that provides the care this population needs.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Hamilton County Frequent User (FUSE) Initiative

Like many communities, Chattanooga - Hamilton County struggles with a variety of issues related to individuals with mental illnesses who are in the criminal justice system. An estimated 40% of the inmates incarcerated in Hamilton County have mental illness. The County's goal is to significantly reduce that number by helping people access community-based care and treatment via permanent supportive housing.

In early, 2020 the Hamilton County Sheriff's Office has received \$5.5 million in federal funds to serve homeless adults with severe and persistent mental illness who are high utilizers of the Hamilton County Jail, local hospitals, emergency rooms, crisis centers, and psychiatric facilities.

The funding award is from the Substance Abuse and Mental Health Services Administration (SAMHSA), a division of the U.S. Department of Health and Human Services, for the Sheriff's Office FUSE (Frequent User Systems Engagement) pilot program. (FUSE) is designed to assist Hamilton County's chronically homeless and mentally ill avoid incarceration and achieve stability. The Hamilton County Sheriff's Department, in partnership with BlueCross BlueShield of Tennessee, CHI Memorial, the City of Chattanooga, and select community partners will provide permanent housing and intensive, 24/7 services for individuals, promoting health and recovery while reducing the costly impact of repeat admissions to jails, hospitals and other crisis interventions.

The data-driven outcomes approach applied through FUSE will be used to create a business case for supportive housing investments for other vulnerable populations in Hamilton County, such as elderly, disabled, children aging out of foster care, homeless families and veterans.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

Chattanooga has identified two goals in its Strategic Plan to address the needs of persons who are not homeless but have other special needs. The City of Chattanooga plans to use CDBG and ESG funds to aid with homelessness prevention through; short-term rent and utility assistance, and supportive services programs to persons who are facing homelessness.

Prevention funding and RRH have been and continue to be increased through various funding streams including ESG, local government funds, and CoC funding. The CoC has also implemented a flexible fund to remove the financial barriers to housing for low acuity and first-

time homeless households that are experiencing a housing crisis but do not need the longer term intervention of more traditional PH projects.

Additionally, the City will be funding housing rehabilitation and emergency repair programs that work with the elderly, among other populations, to maintain their home so they can continue to reside there. As a homeowner ages he/she is often unable to continue to provide the maintenance needed to keep the home habitable. The City's programs work with those homeowners to address pressing issues that arise, such as roof leaks, or plumbing failures, or more extensive rehabilitation needed to bring a home completely up to current building code.

The mission of the Department of Youth and Family Development is to provide educational, recreational, career development, leadership, and social service opportunities to create smarter students and stronger families.

Through a diverse mix of programs and services provided through federal, state, and local funding sources the Department of Youth and Family Development's top priority is providing a better quality of life for the citizens of Chattanooga, through education, recreation, social services, leadership and career development. Chattanooga YFD offers a large variety of programs, activities, classes, and opportunities for youth, adults and seniors at numerous locations all across Chattanooga. These include, but are not limited to, recreation, therapeutic facilities, child care services, social services, and senior facilities.

The department is divided into 5 Areas of Focus:

Education: Enhancing the minds of youth through exceptional programs that embrace literacy, early childhood development and cultural influence through staff and partners. Programs include: Lexia Literacy Programs, Head Start, Child Care, Homework Help, The Arts, Technology Training and more.

Leadership: Creating tomorrow's leaders through character development, mentoring, core values, good decision making, developmental assets, and internship opportunities with continued community support. YFD is also proud to offer the Chattanooga Ambassadors Program (CAP), developing tomorrow's leaders.

Career Development: Providing opportunity through job training, referrals, community service, entrepreneurship, and internships so that all citizens can achieve personal goals.

Recreation: Providing diverse, recreation and leisure opportunities that build character development, through camps, tournaments, aquatics, fitness and wellness classes, Therapeutic Recreation and sports leagues for all ages and abilities in safe, well maintained environments.

Recreation is proud to offer state of the art facilities including the Summit of Softball, Warner Park, Champions Club and Warner Park Pool and Spray Park.

Social Services: Wrap around crisis assistance and support services to low income and vulnerable residents of Chattanooga and Hamilton County through education programs, commodities, partners, and counseling. Programs include Commodity Distribution, Low Income Home Energy Assistance (LIHEAP), Community Service Block Grant (CSBG), Foster Grandparent Program, and more.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

See previous response.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

As growth inevitably occurs, new development has the potential to bring about positive change and improvements for neglected neighborhoods. However, an unintended outcome of this change may be the loss of character and cultural resources, along with rapidly rising property values. These negative aspects may evolve into displacement and demolitions. Conversely, an area that does not see improvement may experience decline and see an increase in problems related to crime, safety or blight.

Area Plans direct commercial growth to designated Centers and identify opportunities for physical improvements that help promote the long-term stability of neighborhoods. Area Plans do not advocate displacement of existing residents or destroying neighborhoods.

The goal of plans and policies in Chattanooga, centered around affordable housing, is to help the community seek a balance between these extremes by laying out recommendations for incorporating more affordable housing options and to establish an approach for preserving existing housing patterns in single-family core residential areas. One of the greatest challenges associated with this is the typical bias toward affordable housing.

In October and November of 2018, the City of Chattanooga Department of Economic and Community Development hosted a two-part Housing Connections Conference. Part one of the conference saw over 100 participants and engaged citizens learning about the current housing challenges in Chattanooga as well as potential legislative actions that could expand affordable

housing options, better serve our community's homeless population, and stabilize Chattanooga's neighborhoods.

Part Two of the City of Chattanooga's Housing Connections Conference focused on:

- Key housing challenges facing many Chattanoogaans and the various social, environmental and economic conditions that can contribute to them.
- Existing building and zoning codes, financial incentives, social programs and more resources available to address housing challenges.
- Existing and future government policies and their effects on housing.
- Creating a respectful and ongoing positive dialog between housing advocates, neighborhoods, housing providers, and government leaders.
- How you can actively engage in moving Chattanooga's housing strategy forward.

There is a lack of clarity among the general public and elected officials regarding the legal definition of "affordable" housing and the scope and scale of the housing deficit. This may lead to bias against renters and those wishing to develop affordable housing. One team's recommendation from the *Housing Connections Report* is a campaign focused on eliminating housing discrimination and bias toward affordable housing by telling the local stories of wages and housing to help educate our community, and foster the creation of a new City Council committee focused on affordable housing issues.

Understanding what the challenges are, including (1). Affordable housing bias, (2). Lack of understanding of economic landscape, and (3).The market is not magic, the team recommended the following:

Discourage Affordable Housing Bias

Combine the Chattanooga Neighborhood Enterprise Housing 101 guide and Chattanooga Organized for Action's pamphlet on the intersection of the economy and housing into a concise presentation for City and County elected leaders and staff. This presentation should be made available to community organizations, neighborhood associations and other interested groups. The City should partner with presenting organizations to help distribute materials.

Advance Understanding of Economic Landscape

Develop an affordable housing storytelling campaign centered on residents impacted by displacement and housing insecurity to help humanize and amplify the stories of cost-burdened families. This campaign should be led by the community and supported by the City of Chattanooga.

Engage Policymakers

Create a City affordable housing policy committee which would fall under the same framework as existing City Council committees. This committee should identify housing barriers and develop community-based policy recommendations to address them.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

Housing preferences are fulfilled by a household's ability to meet the financial needs of owning or renting their desired housing unit. The economic health of a community has a large impact on that ability through the job market, business activity, and the households' relative place in the economy determined by their level of education and employment status. The data below provide a look at where jobs and economic activity in Chattanooga provide employment opportunities and some descriptive considerations of education and employment levels.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	87	104	0	0	0
Arts, Entertainment, Accommodations	9,118	18,167	14	12	-3
Construction	2,260	6,839	4	4	1
Education and Health Care Services	10,333	23,541	16	15	-1
Finance, Insurance, and Real Estate	4,535	11,971	7	8	1
Information	1,315	2,951	2	2	0
Manufacturing	8,713	20,760	14	13	0
Other Services	2,434	5,084	4	3	-1
Professional, Scientific, Management Services	4,617	11,150	7	7	0
Public Administration	0	0	0	0	0
Retail Trade	7,571	16,464	12	11	-1
Transportation and Warehousing	4,285	19,454	7	12	6
Wholesale Trade	2,556	6,898	4	4	0
Total	57,824	143,383	--	--	--

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
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Table 48 - 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Business

ActivityData

Source:

Labor Force

Total Population in the Civilian Labor Force	86,052
Civilian Employed Population 16 years and over	77,285
Unemployment Rate	10.16
Unemployment Rate for Ages 16-24	29.77
Unemployment Rate for Ages 25-65	6.18

Table 49 - Labor Force

Data Source: 2011-2015 ACS

Occupations by Sector	Number of People
Management, business and financial	18,145
Farming, fisheries and forestry occupations	3,259
Service	8,535
Sales and office	19,155
Construction, extraction, maintenance and repair	4,354
Production, transportation and material moving	4,670

Table 50 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	60,910	84%
30-59 Minutes	9,813	14%
60 or More Minutes	1,915	3%
Total	72,638	100%

Table 51 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	4,325	1,045	6,025

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
High school graduate (includes equivalency)	14,500	2,085	7,435
Some college or Associate's degree	21,750	1,823	6,000
Bachelor's degree or higher	21,915	710	3,660

Table 52 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	409	1,095	833	1,544	2,310
9th to 12th grade, no diploma	2,260	2,110	1,685	4,140	3,735
High school graduate, GED, or alternative	5,135	6,015	5,490	12,515	8,155
Some college, no degree	9,685	6,703	5,775	10,400	5,420
Associate's degree	463	1,765	1,595	3,465	1,095
Bachelor's degree	1,780	5,490	3,435	7,985	3,345
Graduate or professional degree	143	2,460	2,155	4,760	2,450

Table 53 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	167,355
High school graduate (includes equivalency)	189,633
Some college or Associate's degree	234,174
Bachelor's degree	363,398
Graduate or professional degree	439,925

Table 54 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The top five employment sectors in Chattanooga MSA are:

1. Government (38%)

2. Educational and Health Services (34.8%)
3. Manufacturing (34.2%)
4. Accommodation and Food Service (30.6%)
5. Retail Trade (27.6%)

Describe the workforce and infrastructure needs of the business community:

The Chattanooga Chamber is the community's leading economic development organization, committed not only to business recruitment, but to supporting the retention and expansion of existing companies. The Chamber works with local partners to maintain an information hub with consolidated job opportunities as well as specific skills and credentials required for these opportunities. Typically, the Chamber provides companies with a wide range of services, including identifying workforce training solutions.

The City of Chattanooga works closely with Hamilton County and the Hamilton County Department of Education (HCDE) to support area public schools. HCDE is focused on ensuring that every HCDE student graduates high school with the skills and education to thrive in the economy of tomorrow. In 2018, HCDE established the FutureReady Institutes to offer education focused on specific careers at each of the district's high schools. The FutureReady Institutes are not only designed to prepare students for specific careers, but also to seamlessly transition from high school to post-secondary education. Earning a post-secondary credential is essential in securing a lasting and durable career.

In 2017, the City of Chattanooga created the Office of Workforce Development. This office is focused on helping unemployed and under-employed adults find opportunities for work. The office also works closely with employers who are looking to hire. The Office of Workforce Development was created to convene all of the community partners focused on workforce development in an effort to align goals and strategies for getting more adults employed in higher-paying jobs. The Office of Workforce Development also works closely with higher-education partners; the City of Chattanooga's Office of Family Empowerment; the Education Opportunity Center; and the Hamilton County Department of Education.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The Chattanooga area has seen phenomenal changes in the business community with the location of large employers like Volkswagen, and Amazon and the launching of EPB's high-speed Internet over the past ten years. Drawing large employers like Volkswagen and Amazon and launching EPB's high-speed Internet have spurred job growth and opportunities in many other sectors in the local economy. "With Volkswagen driving new industry and EPB's high-speed Internet propelling digital tech entrepreneurs, Chattanooga is one of the five best cities in the United States for growing manufacturing businesses," according to the editors of Chief Executive Magazine.

Working with the locally-owned public utility the Electric Power Board (EPB), the City of Chattanooga built a massive broadband fiber network that every household within our City can access. The investment in a ultra high-speed broadband infrastructure led to the creation of the Innovation District, a part of Downtown where innovation and tech companies have gathered to form. Anchored by the Edney Building in an area that includes City Hall, the Innovation District is now home to a number of tech companies and start-ups. The proximity of City Hall to the Innovation District means that local government is very invested in the growth of the innovation economy and tech community. These companies will create the jobs of tomorrow for Chattanoogaans.

It is expected that these alone will continue to affect job and business growth in the coming years. This is coupled with other local initiatives like The Chattanooga Area Chamber of Commerce, "Can Do" campaign to grow and recruit more business to Chattanooga as a result of which manufacturing firms have invested more than \$6 billion in capital investments since 2009.

On September 23, 2019, Nippon Paint Automotive Americas held a press conference in partnership with the State of Tennessee, Hamilton County, and the Chattanooga Chamber of Commerce to announce the company's selection of Chattanooga, Tennessee for a new production facility serving North America to include Canada and Mexico. The Chattanooga City Council approved a land donation agreement with the company on October 15, 2019 for the creation of 150 jobs and \$61,000,000 in capital investment.

Nippon Paint (NP) intends to invest approximately \$61 million to establish a facility on the site. This represents the first major economic development project in this area of Chattanooga in more than 100 years. Upon completion, NP will:

- create 150 jobs in Hamilton County over the next 5-7 years. These jobs will pay between \$13 - \$31 per hour, with the majority of them paying \$16 - \$22 per hour.

- commit to sourcing as much labor as possible from the residential neighborhoods nearest the facility, providing good jobs in areas where unemployment exceeds the community average and public transportation is often inadequate.
- construct a 270,000-square-foot facility on approximately 29 acres of the 40-acre Tubman property.

This is great for the Chattanooga area, but is even more so for the residents living near the site. The new plant will be located on a former public housing site, in the middle of the City's cluster of low-moderate- income census tracts. NP intends to begin construction in January 2020 and hopes to have its first employees working there by mid-2020.

The former Harriet Tubman housing site offers the City of Chattanooga and our many neighborhoods partners a unique opportunity to unite economic development with community development in the heart of East Chattanooga.

In addition to attracting large employers, efforts are equally focused on helping small, local companies expand here. The City of Chattanooga is committed to growing Chattanooga's economy by supporting every business -- whether it has 5 employees, or 500 through efforts like the Growing Small Businesses initiative which aids real job growth by providing incentives to businesses of 100 employees or fewer who make a substantial workforce expansion. And, to grow Chattanooga's minority, veteran, and women owned businesses, the City has partnered with the Chamber, the Urban League, and LAUNCH to establish the Chattanooga Alliance for Diverse Business Enterprises. The City also established an economic development revolving loan fund using the HUD Section 108 Loan Guarantee.

These investments will require new skills in the local workforce, many of which can be provided in partnership with existing job training programs.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The strong economy in Chattanooga offers great opportunity, but Chattanooga's hard-to-house and hard-to-employ residents could be left behind without a concerted effort to address the barriers that stand in the way of their economic success.

Chattanooga and surrounding Hamilton County are experiencing tremendous job growth that is projected to continue. According to Chattanooga 2.0's report "*Building the Smartest Community in the South*," the region will add 10,000 new jobs over the next few years." While Chattanooga 2.0 and the labor market data in this section refer to Hamilton County as a whole, most of the jobs in the county are in the City of Chattanooga.

Notably, 80 percent of the jobs that pay \$35,000 or more require some postsecondary credential. In this high-skill economy, many Chattanooga residents are at a disadvantage. Only 33 percent of Chattanooga residents age 25 and above have an associate degree or higher. For 29 percent of residents, a high school diploma is their highest level of education. In addition, the disparities between Whites and Black residents are striking. Forty-three percent of White Chattanooga residents have an associate degree or higher, while this is true for only 15 percent of Black Chattanooga residents—a group that represents almost three-quarters of the City's non-White population. In addition, 39 percent of Black Chattanooga residents have a high school diploma or equivalent as their highest level of education (compared to 29 percent for Chattanooga residents as a whole).

These disparities in educational attainment are reflected in income and employment. While the City's unemployment rate was 9 percent in 2015, unemployment was 16 percent for Black residents. In addition, while a significant number of Black residents are employed, their median income in 2015 (\$26,948) was far lower than the City's median income (\$40,004). Black Chattanooga residents are also disproportionately likely to live in poverty. An estimated 22 percent of Chattanooga residents live below the poverty line, an increase of 4 percent between 2010 and 2015, but 26 percent of Black residents live below the poverty line. These statistics underscore that not all Chattanooga residents are benefiting from its economic revival, which suggests a targeted effort is needed to boost the skills and earnings of these residents.

Currently, a majority of the City's low-income residents work in areas such as accommodation and food services; retail trade; and administrative and support services. Typically, these sectors offer lower wages and limited advancement opportunities for workers. A workforce development strategy focused on boosting skills and employment opportunities will help ensure that the lowest income Chattanooga residents can benefit from the area's growing economy.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

In the Chattanooga area, as with any region, a highly motivated, well-trained workforce is critical to continued economic growth and prosperity and enhanced quality of life. Both the

challenges and opportunities in today's workplace are recognized and there is a commitment to improving workforce quality.

Chattanooga is home to a wide array of organizations and civic leaders who are dedicated to improving the quality of life for City residents. Organizations that are contributing to the economic health of Chattanooga include social service agencies and community-based service providers committed to helping disadvantaged residents, educational institutions, and a host of others working to build the civic and economic infrastructure of the City.

Many of these organizations have coalesced around Chattanooga 2.0 to organize strategies to build educational opportunity and economic success for Chattanooga, supported by a robust philanthropic community and engaged civic leadership. The list of assets described below captures the major organizations or organizational types that the stakeholders that play an important role in a community-wide effort to ensure that all Chattanooga residents benefit from the economic opportunities available in the City.

EDUCATION AND TECHNICAL TRAINING

Chattanooga State Community College (ChattState). ChattState is one of two public higher education institutions in the City offering a comprehensive array of degree and certificate programs.

Tennessee College of Applied Technology, Chattanooga (TCAT). TCAT is a significant asset that, with coordinated effort, could be used for greater benefit for low-income Chattanooga residents. TCAT offers a range of certificates and degrees in high-demand technical fields and boasts an 80 percent completion rate.

Tennessee Promise and Tennessee Reconnect. These statewide initiatives are tremendous assets that can be used to help more graduating seniors and adults enroll in college.

Apprenticeship Programs and Other Training for the Trades. A number of training programs, including apprenticeship programs, offer access to the trades. Several offer college credit in collaboration with ChattState.

Adult Basic Education. TCAT Athens has set up HiSET preparation and testing sites in locations around Chattanooga. Currently, HiSET prep classes are offered at the Northside Neighborhood House, Olivet Baptist Church, and Bethlehem Center.

OTHER SKILL-BUILDING AND EMPLOYMENT ASSISTANCE

Southeast Tennessee Development District and Tennessee Career Center. The Southeast Tennessee Development District (SETDD) is part of the public workforce development system overseen by the U.S. Department of Labor. It is charged with developing a strategic plan for workforce development in the region, planning for the use of federal job training funds, and overseeing the One-Stop Career Center.

Community-based providers. Many organizations in Chattanooga offer assistance preparing for and finding employment. Many community-based organizations work with employers to place individuals in entry-level positions. Working together and with employers and technical training providers, these organizations could support the creation of more visible pathways that lead to advancement beyond entry level positions,

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Discussion

Chattanooga is poised for a dynamic future by making itself an attractive location for business location, expansion, and relocation for the benefit of every resident in the community.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

The census tracts that are identified as eligible for CDBG area benefit (income below 80 percent of the area median income) include some of the oldest neighborhoods in the city. The housing in these areas are often in poor condition and many need of extensive rehabilitation or removal. These neighborhoods are also where the lowest income households in the city live, in housing stock that is in poor condition, and therefore, offered at lower rents or sales prices. Despite the lower rents or purchase price, the lower income households pay a larger percentage of their income on housing expenses. In this case, concentrated would mean that a large portion of the neighborhood shows the impact of these housing problems.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (Include a definition of "concentration")

In this instance, concentrated would mean that the percentage of a particular racial or ethnic minority in an area is significantly higher than its percentage of the overall population. Whites comprise 58 percent of the City's population, African Americans 34.9 percent and Hispanic/Latino 5.5%. However, in some low-income census tracts African Americans make up over 89 percent of the population of that tract and in some other low income census tracts, the Hispanic/Latino population is as high as 28 percent.

The City of Chattanooga is significantly lower income than the surrounding county. It consists of eighty-one (81) census tracts, of which nearly a third of them, twenty-three (23), have a low/moderate income percentage greater than 50%, and are considered Low/Moderate Income (LMI) census tracts (Table 1). All these LMI census tracts, as well as all of the racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are located in Chattanooga. Hamilton County's R/ECAP areas are census tracts 11, 12, 13, 14, 16, 19, 20, 23, 24, 25, 26, and 122.

Data Source: 2000-2011 ACS		City of Chattanooga						
		Low to Moderate Income Census Tracts						
Area	Census Tract	Percentage L/M	Race/Ethnicity					
			White	Black	Hispanic	Am. Indian	Asian	
Orchard Knob, Avondale	4	68.45%	6.8%	89.2%	2.4%	0.6%	0.0%	
Hill City	8	68.31%	64.7%	32.8%	1.1%	1.6%	0.0%	
Fortwood	11	62.87%	29.5%	50.2%	23.3%	0.0%	0.0%	
Glenwood	12	61.11%	13.6%	84.8%	0.7%	1.2%	0.0%	
East Lake, Ridgedale	13	74.25%	38.6%	50.5%	18.5%	0.4%	0.0%	
Highland Park	14	66.42%	56.1%	42.2%	9.7%	0.0%	0.2%	
Westside	16	100.00%	18.3%	80.0%	0.0%	0.9%	0.8%	
South Chattanooga, Alton Park, Piney Woods	19	85.83%	2.8%	94.7%	1.3%	0.3%	0.0%	
Southside	20	85.02%	21.0%	65.1%	11.5%	2.4%	0.0%	
Clifton Hills,	23	68.56%	43.4%	29.3%	26.5%	0.9%	0.0%	
Cedar Hill, East Lake	24	78.12%	72.9%	13.0%	28.3%	2.0%	3.7%	
East Lake	25	80.76%	35.7%	55.1%	11.4%	2.1%	0.0%	
Oak Grove	26	75.76%	34.5%	49.4%	24.3%	0.0%	0.0%	
Downtown	31	60.53%	64.2%	34.7%	3.3%	0.0%	0.0%	
Foxwood Heights	32	61.81%	15.5%	75.6%	5.2%	3.9%	0.0%	
Signal Mt. Blvd.	109.02	70.31%	100.0%	0.0%	0.0%	0.0%	0.0%	
Eastdale	114.44	59.59%	17.3%	80.8%	2.4%	0.0%	0.0%	
Shepherd	114.45	51.24%	55.2%	39.5%	10.2%	0.0%	1.1%	
Avondale, East Chattanooga	122	86.55%	5.7%	92.9%	2.0%	0.0%	0.0%	
Amnicola, East Chatt, Glass Farm	123	66.32%	30.5%	63.9%	0.8%	2.0%	1.2%	
ML King, Fortwood	124	68.17%	64.1%	28.5%	2.1%	0.1%	6.6%	

What are the characteristics of the market in these areas/neighborhoods?

These neighborhoods contain much of the poorest housing stock in the city. One census tract has no homeowner units at all. (Tract 16). As a result, the housing market contains much of the lowest cost housing as well. Code enforcement officials work extensively in these areas to maintain the integrity of the community. Dilapidated homes are removed to improve the sustainability of the neighborhoods. Some neighborhoods have many boarded duplexes and other areas have vacant lots where homes have been removed.

Are there any community assets in these areas/neighborhoods?

These areas do have community assets, including community and senior centers, parks, and other public facilities. Much of the public housing in Chattanooga is also located within these neighborhoods, though efforts are being made to deconcentrate public housing with scattered site housing and vouchers. Many of the vacant lots and duplexes can also be an asset in addressing in-fill housing.

The On September 23, 2019, Nippon Paint Automotive Americas held a press conference in partnership with the State of Tennessee, Hamilton County, and the Chattanooga Chamber of Commerce to announce the company’s selection of Chattanooga, Tennessee for a new production facility serving North America to include Canada and Mexico. The Chattanooga City

Council approved a land donation agreement with the company on October 15, 2019 for the creation of 150 jobs and \$61,000,000 in capital investment.

Nippon Paint (NP) intends to invest approximately \$61 million to establish a facility on the site. This represents the first major economic development project in this area of Chattanooga in more than 100 years. Upon completion, NP will:

- create 150 jobs in Hamilton County over the next 5-7 years. These jobs will pay between \$13 - \$31 per hour, with the majority of them paying \$16 - \$22 per hour.
- commit to sourcing as much labor as possible from the residential neighborhoods nearest the facility, providing good jobs in areas where unemployment exceeds the community average and public transportation is often inadequate.
- construct a 270,000-square-foot facility on approximately 29 acres of the 40-acre Tubman property.

This is great for the Chattanooga area, but is even more so for the residents living near the site. The new plant will be located on a former public housing site, in the middle of the City's cluster of low-moderate- income census tracts. NP intends to begin construction in January 2020 and hopes to have its first employees working there by mid-2020.

The former Harriet Tubman housing site offers the City of Chattanooga and many neighborhoods partners a unique opportunity to unite economic development with community development in the heart of East Chattanooga.

This census tract is poised for great opportunities. In addition to the Nippon plant coming to the area. The census tract an application for Tax Increment Financing for the former Harriet Tubman site and surrounding area. Additionally, the census tract is within the City Opportunity Zone designation. Appropriately, the name tag for the area initiative is "East Chattanooga Rising".

Are there other strategic opportunities in any of these areas?

Although there are few sites available like the former Harriet Tubman site in most of these neighborhoods, there are vacant lots and duplexes, which can be assets in providing opportunities for development of new housing units. These efforts would aid in sustainability efforts, bringing more people into the neighborhoods and improving the housing stock.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Chattanooga pioneered the first citywide gigabyte-per-second broadband service a decade ago through the city-owned utility Electric Power Board (EPB). Chattanooga has promoted widespread digital access through government and business support of Tech Goes Home and the Enterprise Center. Tech Goes Home is a nonprofit that works with schools, churches, and other organizations to help residents learn digital literacy skills. The Enterprise Center is a city-backed agency that works to promote the Innovation District and other technology initiatives.

Tech Goes Home Chattanooga (TGH CHA) is The Enterprise Center's digital inclusion program for residents across Hamilton County. TGH CHA is modeled after the national, award-winning Tech Goes Home program. Founded in Boston, Tech Goes Home has successfully provided participants with the tools, education and access required for 21st century skills development since 1999.

They are partnering with schools, public libraries, churches, nonprofits, and other organizations across Hamilton County to offer free courses designed to help residents develop skills and habits required for smart technology and Internet use. Participants receive fifteen hours of classroom training to help them understand why the Internet is relevant in their daily lives, have the option to purchase a new Chromebook or tablet for only \$50 (upon completion of the course), and receive assistance in obtaining access to low-cost home Internet.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Working with the locally-owned public utility the Electric Power Board (EPB), the City of Chattanooga built a massive broadband fiber network that every household within our City can access. However, there are other internet service providers available – PCs for People, Comcast, and AT&T. Each, in addition to EPB have low-cost internet options for low-income households.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Just recently, March 2020, the City of Chattanooga Council approved the Hamilton County Multijurisdictional Natural Hazards Mitigation Plan which will allow plan participants to be eligible for mitigation grant programs as follows:

Hazard Mitigation Grant Program (HMGP) (post-disaster funding)

Pre-Disaster Mitigation Grant Program (PDM)

Flood Mitigation Assistance Program (FMA)

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Research findings reflect a world in which people of low Socioeconomic Status (SES) are more vulnerable in the face of disasters and are more likely to suffer more serious consequences during impact, from property damage to homelessness to physical and financial impacts. Disasters can contribute to more adversity for people of low SES than for others who are not low SES—and, as the World Bank and GFDRR report observes, in part due to their financial effects, natural disasters make it more likely that people in poverty will remain in poverty (Hallegatte et al., 2017)

https://www.samhsa.gov/sites/default/files/dtac/srb-low-ses_2.pdf

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Strategic Plan lays out the direction the City intends to take in the distribution of the Community Development Block Grant (CDBG) HOME Investment Partnership Funds (HOME) and Emergency Solution Grant (ESG) funds for the next five years. The priorities listed were determined through consultation with service providers and consideration of the community surveys and community input conducted in the development of the Consolidated Plan as well as early strategic planning processes for the updating of the area Comprehensive Plan and numerous community input sessions conducted by the Mayor in defining the direction for the City.

Some of the activities included will be targeted to individual households who qualify for the programs according to their income status (individual benefit). Other programs/activities are directed within Chattanooga where the median incomes of the census tracts involved are below 80 percent of the area median income (area benefit). The City's goals and objectives are listed below and summarized in Section SP-45.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 55 - Geographic Priority Areas

1	Area Name:	City-wide Activities
	Area Type:	PJ Area
	Other Target Area Description:	PJ Area
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	

	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
2	Area Name:	Eligible Census Tracts
	Area Type:	L/M Census Tracts
	Other Target Area Description:	L/M Census Tracts
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

For the most part, CDBG and HOME funds will be used to address the needs of a city-wide basis with the beneficiary being an individual of low-to moderate income (limited clientele benefit). However, area-benefit activities will be provided in areas that are determined to have a low-to moderate income population of at least 51%. The table below shows the low-to moderate income census tracts within the City of Chattanooga.

Household Income in the Past 12 Months	Number	Percentage
Less than \$14,999	13,828	19.77
\$15,000 to \$24,999	10,332	14.77
\$25,000 to \$34,999	9,514	13.60
\$35,000 to \$44,999	6,806	9.73
\$45,000 to \$59,999	8,091	11.57
\$60,000 to \$74,999	5,986	8.56
\$75,000 to \$99,999	6,806	9.73
\$100,000 to \$124,999	3,542	5.06
\$125,000 to \$149,999	1,558	2.23
\$150,000 or more	3,484	4.98
Total	69,947	
2007-11 ACS		

Table 56 - For CHATTANOOGA (CDBG Grantee) - Household Income in the Past 12 Months.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 57 – Priority Needs Summary

1	Priority Need Name	Increase Supply of Affordable Rental Housing
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	PJ Area
	Associated Goals	Administration and Planning Increase Affordable Housing Opportunities

	Description	ECD is working to reduce the number of run-down properties through rehabilitation and demolition of blighted structures, and increase the supply of affordable housing units throughout the city. We will promote the development and rehabilitation of affordable units as well as engage in LIHTC partnerships to bring on line large scale affordable housing developments.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs
2	Priority Need Name	Preserve existing housing stock
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	Geographic Areas Affected	PJ Area

	Associated Goals	Administration and Planning Increase Affordable Housing Opportunities
	Description	The city will demolish blighted structures to preserve at risk neighborhoods. In addition, we will facilitate a wide range of programs that will preserve the current affordable rental and homeownership housing stock.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs
3	Priority Need Name	Housing and services for homeless populations
	Priority Level	High
	Population	Extremely Low Large Families Families with Children Elderly Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	Geographic Areas Affected	PJ Area
	Associated Goals	Administration and Planning Increase Affordable Housing Opportunities Services and Housing for Homeless
	Description	The City will support programs and activities related to homeless prevention and rapidly re-housing individuals and families.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs and consultation with the Continuum of Care.
4	Priority Need Name	Increase access to homeownership opportunities

	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents
	Geographic Areas Affected	PJ Area
	Associated Goals	Administration and Planning Increase Affordable Housing Opportunities
	Description	The City will continue to support homeownership development, homebuyer assistance, and homebuyer education programs.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs
5	Priority Need Name	Community public facilities /infrastructure
	Priority Level	High
	Population	Other
	Geographic Areas Affected	L/M Census Tracts
	Associated Goals	Administration and Planning Community Dev Public Facilities & Infrastructure
	Description	The city will target public facilities and infrastructure that will best complement the development of affordable housing.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs
6	Priority Need Name	Promote economic development activities
	Priority Level	High

	Population	Extremely Low Low Moderate
	Geographic Areas Affected	PJ Area
	Associated Goals	Administration and Planning Increase Employment Opportunities
	Description	The City will continue to support the development and expansion of businesses and job creation/retention through the Section 108 loan program.
	Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs
7	Priority Need Name	Improved/Increased Access/Retention to Housing
	Priority Level	High

Population	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
Geographic Areas Affected	PJ Area
Associated Goals	Administration and Planning Increase Affordable Housing Opportunities
Description	Improve/increase opportunities for citizens to access/retain affordable housing through education, i.e.; homebuyer counseling/education, foreclosure counseling/education, renter/landlord education, fair housing education, and social services.
Basis for Relative Priority	The Public Input Session, the online survey, and needs assessment identified the above listed as priority needs.

Narrative (Optional)

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	<p>The use of tenant-based rental assistance is dependent on rental property owners willingness to rent their units to TBRA clients. In many communities, landlords are reluctant to rent to these clients due to the reputation they have that the clients do not take care of the property as well as other renters do. Other market conditions that could influence the use of TBRA have to do with rents being asked for rental property. If rents are too high, the rental assistance might not be enough to allow clients to lease the units, even if the landlord was willing.</p>
TBRA for Non-Homeless Special Needs	<p>Added to the description of TBRA market characteristics above, non-homeless special needs clients may also encounter housing units that do not meet their accessibility needs. Most housing in any community has not had accessibility improvements that allow persons with mobility issues ease of access. While landlords are obligated to make reasonable accommodations for such renters, many need more accommodations than typical landlords would consider reasonable. Landlords do seem to be more amenable if the client also has supportive services and thus a case manager to monitor the individual's well-being.</p>
New Unit Production	<p>The production of new housing units is influenced by several market conditions, including the cost of land, the cost of construction, and prevailing interest rates. While rates are currently at historic lows, the mortgage markets are still recovering from the recent mortgage foreclosure crisis and restrictions placed on lending institutions that resulted.</p> <p>Using funds for the production of rental housing of rental housing is a high priority due to the short supply. The production of housing for homeownership is not as high because, with low interest rates and supply of affordable units for purchase, except for pre-identified buyers (Habitat & CHDO clients), until the market changes, it is not feasible to utilize these funds for homeowner housing production.</p>

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Rehabilitation	<p>Preservation of affordable housing is a high priority, as it serves in allowing residents access to housing, it can also be a means by which residents can remain housed; - if substandard, contributing issues are eliminated, and it can greatly contribute to stabilizing a community.</p> <p>Rehabilitation activities can be influenced by location, zoning requirements and the cost of materials and labor. In Chattanooga, these costs are relative low in comparison to other areas of the country. The efficiency of rehabilitation is also dependent on the after rehabilitation value of the home. If the market value of the home does not support the extent of rehabilitation required, it's not worth the effort to repair the home.</p>
Acquisition, including preservation	<p>Acquisition, including preservation, can be a tool by which more affordable units can be delivered to a community if the overall cost does not exceed the value of the after-rehab value of the property. Some preservation can be cost prohibitive, as in the case sometimes when historic preservation is involved or the unit is too far gone to restore. The overarching determining factor is the market value of the structure versus the cost.</p> <p>With home purchases by private individuals, the historic low interest rates offset increases in the market value of the housing stock. Thus, families can get more house for their money.</p>

Table 58 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City of Chattanooga receives funding from two federal grant programs, the Community Development Block Grant Program, and the HOME Investment Partnership. Funding under the Emergency Solutions Grant Program is received from THDA. It is anticipated that these grant programs combined will bring \$2,604,726 into the city to support affordable housing, homeless, and community development programs and projects. An additional \$866,316 in program income from CDBG and HOME projects brings the total resources for **the first year** of the Consolidated Plan to \$3,471,042. Because it is difficult to project program income for the next four years, it is not included in anticipated resources calculation beyond the first year. Thus the City anticipates having approximately \$13,889,946 for the five years covered under the Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,596,240	375,316	0	1,971,556	6,384,960	Expected amount for remainder of Con Plan is Year 1 times 4, less program income.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	847,236	491,000	0	1,338,236	3,388,944	Expected amount for remainder of Con Plan is Year 1 times 4, less program income
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	161,250	0	0	161,250	645,000	Expected amount for remainder of Con Plan is Year 1 times 4.

Table 59 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME funds will be matched with carry-over HOME match, donated property, and partner contributions. ESG match will be addressed by sub-grantees. Housing activities are expected to be heavily leveraged with developer resources like Low Income Housing Tax Credits, local PILOT projects, and foundation funding.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

One tool the City expects to utilize in addressing affordable housing is the Duplex- Homeowner Housing Program. Vacant duplexes owned by the City through the back-tax foreclosure sale will be made available for redevelopment. The final purchaser is required to occupy one side of the units for up to seven years in exchange for a no-interest, no-payment loan that is forgiven at the end of the compliance period.

Other vacant, abandon properties and lots can also be made available to non-profit or for profit entities to renovate (if feasible) or to construct new units of affordable housing.

One, among several, of the recommendations that came out of the Housing Connections Conference was the creation of a Community Land Trust. This is currently being explored.

Discussion

To accomplish the goals outlined in the Consolidated Plan the City will have to rely heavily on resources and tools outside of the above allocations as the funding is steadily decreasing. Program income was not added into the expected funding for years 2-5 as that resource is also decreasing at an unpredictable rate.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of Chattanooga	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Jurisdiction
CHATTANOOGA INTERAGENCY ON HOMELESSNESS COALITION	Government	Homelessness	Jurisdiction
CHATTANOOGA NEIGHBORHOOD ENTERPRISE	Non-profit organizations	Ownership Rental	Jurisdiction
CHATTANOOGA HOUSING AUTHORITY	PHA	Homelessness Public Housing	Region
HABITAT FOR HUMANITY	CHDO	Ownership	Jurisdiction
Chattanooga Community Housing Development Organization	CHDO	Ownership Rental	Jurisdiction
SETDD	Regional organization	Economic Development	Region
CHATTANOOGA HOMELESS COALITION	Non-profit organizations	Homelessness	Region
COMMUNITY KITCHEN	Non-profit organizations	Homelessness	Jurisdiction

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Family Promise of Greater Chattanooga (formerly Interfaith Homeless Network)	Non-profit organizations	Homelessness	Jurisdiction
Hamilton County Social Services EAP	Government	Homelessness	Jurisdiction
ROOM IN THE INN	Non-profit organizations	Homelessness	Jurisdiction
PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS	Non-profit organizations	Homelessness	Region

Table 60 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City has many years of experience managing and implementing the programs addressed in the Consolidated Plan, as well as working with outside agencies that fill some of the needs as outlined in the Consolidated Plan. Services provided by the Emergency Solutions Grant Program are managed by a group of homeless service providers who work together as a coalition in response to HUD grant requirements. Through this organization, the group collects facilities and client information and prepares grant proposals to bring additional resources to Chattanooga.

The Housing Authority of Chattanooga operates public housing units and works well with City staff and the City political leadership. One gap is the limited number of CHDOs operating in Chattanooga. Currently there is only one CHDO.

Based on feedback and recommendations from participants of input sessions, the Housing Connections Report for one, the City needs to improve on disseminating information, particularly in regards to information about affordable housing.

In the report it states: Disseminating information to citizens and stakeholders about affordable housing programs, initiatives and opportunities is essential to ensuring all residents have access to safe, affordable housing. Although many organizations and agencies distribute some information about housing, there is no central resource on which the community can rely. Team five recommends a central, online resource with updated and accurate information for landlords, renters, home buyers and homeowners. The city and its partners should continue to ensure that future meetings and opportunities include a wide representation of our community, and they should assist in fostering a coalition of informed community advocates.

The challenges noted included: (1) Lack of information and education, (2) Inaccessible affordable housing meetings, (3) Lack of outreach and marketing.

Recommendations to address these challenges include:

Lack of Information and Education

- Establish a central website hosted by the city for residents to access up-to-date and accurate information about available affordable housing. Information from this website should be transferred to pamphlets and disseminated around Chattanooga.

- The city should strongly consider a contract with third-party entities to develop technology solutions that create transparency within local housing market, such as OneAppOregon.

Make Meetings More Accessible

- All future meetings and discussions about affordable housing should be scheduled outside traditional working hours so that more residents are able to participate in creating policy solutions. These meetings should be flexible enough to allow parents of young children to attend them.

Lack of Outreach and Marketing

The city should assist in forming, fostering and encouraging an affordable housing advocacy coalition. Members of the coalition should attend meetings, educate elected officials and participate in housing initiatives and programs.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance			
Rental Assistance	X	X	
Utilities Assistance	X	X	
Street Outreach Services			
Law Enforcement			
Mobile Clinics			
Other Street Outreach Services	X	X	
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	
HIV/AIDS	X	X	
Life Skills	X	X	
Mental Health Counseling	X	X	
Transportation	X	X	

Other			

Table 61 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

All services in our system are available to people who are experiencing homelessness.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The service providers in Chattanooga work closely together to provide a continuum of services in response to needs identified through surveys of homeless persons and general observations of the providers. Providers in Chattanooga are particularly strong in the areas of mental health services and life skills training. The lone gaps identified in the chart above are child care services and services for unaccompanied youth. Another gap in the coordination of services centers on the lack of universal participation of providers in the HMIS system. All homeless providers who participate in federal funding programs are enrolled in the HMIS system. Other agencies, however, do not participate for various reasons, some are faith-based and do not have the staff/capacity or will to do the reporting.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

- Obtain reliable comprehensive inventory of current services, providers, and available housing,
- Evaluate current systems and services to make them more accessible and efficient, and
- Eliminate redundancy and efficiency,
- Quickly and efficiently triage persons struggling with homelessness;
- Obtain grants/funds/resources to address identified needs; and
- Develop a system that quickly and accurately produces information on outcomes.

SP-45 Goals Summary – 91.215(a)(4)

1	Increase Affordable Housing Opportunities	2015	2019	Affordable Housing	City-wide Activities	Housing and services for homeless populations Improved/Increased Access/Retention to Housing Increase Supply of Affordable Rental Housing Increase access to homeownership opportunities Preserve existing housing stock	CDBG: \$3,586,490 HOME: \$3,714,435	Public service activities for Low/Moderate Income Housing Benefit: 10000 Households Assisted Rental units constructed: 1107 Household Housing Unit Rental units rehabilitated: 100 Household Housing Unit Homeowner Housing Added: 50 Household Housing Unit Homeowner Housing Rehabilitated: 1305 Household Housing Unit Direct Financial Assistance to Homebuyers: 100 Households Assisted Housing for Homeless added: 90 Household Housing Unit Buildings Demolished: 75 Buildings

2	Services and Housing for Homeless	2015	2019	Homeless	City-wide Activities	Housing and services for homeless populations	CDBG: \$420,000 ESG: \$698,090	Tenant-based rental assistance / Rapid Rehousing: 1075 Households Assisted Homeless Person Overnight Shelter: 2000 Persons Assisted Homelessness Prevention: 375 Persons Assisted
3	Increase Employment Opportunities	2015	2019	Non-Housing Community Development	City-wide Activities	Promote economic development activities	CDBG: \$2,150,000	Jobs created/retained: 180 Jobs Businesses assisted: 45 Businesses Assisted
4	Community Dev Public Facilities & Infrastructure	2015	2019	Non-Housing Community Development	Eligible Census Tracts	Community public facilities /infrastructure	CDBG: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 63867 Persons Assisted

5	Administration and Planning	2015	2019	Admin	City-wide Activities	Community public facilities /infrastructure Housing and services for homeless populations Improved/Increased Access/Retention to Housing Increase Supply of Affordable Rental Housing Increase access to homeownership opportunities Preserve existing housing stock Promote economic development activities	CDBG: \$1,789,120 HOME: \$412,715 ESG: \$56,600	Other: 63867 Other

Table 62 – Goals Summary

Goal Descriptions

1	Goal Name	Increase Affordable Housing Opportunities
	Goal Description	<p>Increase opportunities for access and affordability to housing.</p> <p>Rental acquisition and rehabilitation, new construction of rental and homeowner, homeowner rehab, homeowner down payment assistance, homebuyer/renter outreach/education, lead-based paint hazards, code enforcement/demolition, Fair Housing, and housing counseling.</p> <p>The City of Chattanooga will assist extremely low-income, low-income and moderate-income families who meet HUD's income limits with rental housing and homeownership opportunities. CHDOs like Habitat can assist approximately 15 low-income families with homeownership opportunities. It is anticipated that, at minimum, 27 rental units will be for homeless/extremely low-income households and the other units to low-to moderate income households.</p>
2	Goal Name	Services and Housing for Homeless
	Goal Description	Homeless activities
3	Goal Name	Increase Employment Opportunities
	Goal Description	Through Section 108 Loan, assist with job creation/retention, and business/individual development/expansion
4	Goal Name	Community Dev Public Facilities & Infrastructure
	Goal Description	Public Facility or infrastructure activities in strategic coordination with community development/housing development.
5	Goal Name	Administration and Planning
	Goal Description	Program/grants management

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

15 low, 27 rental units.

The City of Chattanooga will assist extremely low-income, low-income and moderate-income families who meet HUD's income limits with rental housing and homeownership opportunities. Habitat an CHDO can assist approximately 15 low-income families with homeownership opportunities. It is anticipated that, at minimum, 27 rental units will be for homeless/extremely low-income households and the other units to low-to moderate income households.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

There are 165 fully 504 compliant units of various bedroom sizes in the properties that the CHA and Envolve manage. This number exceeds the number of units required by HUD. The CHA is able to readily install audio/visual equipment into any unit as required by a resident who is hearing/visually impaired. The CHA continues to document, maintain and enhance its responsiveness to the needs of individuals with disabilities.

Activities to Increase Resident Involvements

Resident Councils are located at the following sites: Boynton terrace, Greenwood/Scattered Sites, Mary Walker Towers. There is also a Resident Advisory Board.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the ‘troubled’ designation

N/A

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

As growth inevitably occurs, new development has the potential to bring about positive change and improvements for neglected neighborhoods. However, an unintended outcome of this change may be the loss of character and cultural resources, along with rapidly rising property values. These negative aspects may evolve into displacement and demolitions. Conversely, an area that does not see improvement may experience decline and see an increase in problems related to crime, safety or blight. The goal of plans and policies in Chattanooga, centered around affordable housing, is to help the community seek a balance between these extremes by laying out recommendations for incorporating more affordable housing options and to establish an approach for preserving existing housing patterns in single-family core residential areas.

Area Plans direct commercial growth to designated Centers and identify opportunities for physical improvements that help promote the long-term stability of neighborhoods. Area Plans do not advocate displacement of existing residents or destroying neighborhoods.

Providing, creating and building affordable and equitable housing options for Chattanooga is a priority.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The *2019 Housing Connections Report* identify critical housing gaps and potential new strategies and tools to address the City's housing challenges, discussed throughout the Plan. Some that may not have been highlighted, but is definitely included in the City's plan for addressing barriers to affordable housing.

Preserving Existing Affordable Housing Stock

- Develop sources of funding for the Affordable Housing Trust Fund such as creative taxing structures or a loan fund for developers and landlords.
- Institute a City owner-occupied duplex program. This program allows developers to acquire and renovate vacant duplexes which are sold to owners who live on one side and rent out the other side to a low-to-moderate income household. To expand the program will require changing the zoning regulations that automatically downzone duplexes to R-1 when they are vacant for more than 90 days. Interested developers are hesitant to purchase such properties if they cannot realize a return on their investment which would be difficult to do if the duplex must remain a single-family unit.
- Land acquisition costs and other development expenses are among the factors that make new construction expensive for developers – and therefore for renter and buyers.

Increased focus on the repair and renovation of existing housing stock rather than on the construction of new properties will help alleviate this challenge.

- Support funding for roof replacements and other home repairs for low-to-moderate income residents to preserve the existing affordable housing stock.

Increase Funding for Income Restricted Housing

- Consider instituting fees such as a title transfer fee, short-term vacation rental fee, or impact fee to support the Affordable Housing Fund. The City of Chattanooga currently has a dedicated Affordable Housing Fund to be funded at \$1 million each year from the City's General Fund to provide subsidies for new income-restricted housing over the next three years.
- Consider altering the Tax Increment Financing (TIF) requirements from entities receiving city funding. Tax increment financing is a tool that offers subsidies for capital improvements in a district related to a project; these subsidies could also be used to support affordable housing construction.
- Consider using the Land Bank Authority to incentivize developers to build affordable housing. Unlike an affordable housing trust, a Land Bank Authority is meant to acquire and temporarily hold property for future development. The authority in this case could acquire a vacant piece of land, and then sell it for a developer to build an income restricted housing development project.

Reduce the Cost of Constructing Income-Restricted Housing

- Consider fee waivers, expedited permitting, more flexible zoning or low-interest renovation loans to developers willing to build income-restricted housing units.

Increase Awareness about Income-Restricted Housing Resources

- Schedule and institutionalize regular local workshops with the Tennessee Housing Development Agency (THDA) for continuing education and information about ongoing programs. THDA provides tax credits and other subsidies to support affordable housing development. Increasing local builder awareness of these tools would help to promote more affordable housing opportunities.

Housing the Homeless

- Create an association of landlords who rent to people experiencing homelessness to advocate, coordinate, and communicate to homelessness stakeholders and serve as a point of contact for assistance access.
- Support rehousing of homeless families and individuals through partnerships with the Chattanooga Housing Authority and the housing choice voucher program.

- Provide emergency utility expense funding support for low-to-moderate income families to ensure they can stay in their homes

Additionally, following are recommendations from the 2013 Chattanooga Housing Study and the Mayor's Housing Task Force, appointed to identify tools/solutions to address the affordable housing needs in the community. With the exception of establishing a rental registry, all have been created/established and are being utilized in the City's strategies to eliminate barriers to producing and preserving affordable housing.

- ✓ Establish an Affordable Housing Trust to provide financing assistance to public, private, or non-profit housing providers at a discount in return for incorporating affordable housing into their projects.
- ✓ Consider replacing the City's current zoning codes in select areas with a Form-based Code.
- ✓ Establish a Land Bank Authority (LBA) to aid in the process of encouraging the production of affordable housing and other economic development in a thoughtful, but expedient way.
- ✓ Restrict the current Payment in Lieu of Taxes (PILOT) incentive program to developers with projects that reserve at least 20% of the units for tenants or homeowners with income levels that do not exceed 80% (AMI).

Establish a Rental Registry requiring landlords within the city limits to register and maintain their rental property to defined standards.

While there are several market forces at work that make affordable housing development difficult the above tools will be utilized by the City to address this issue. Other tools are incentives to developers and landlords which include subsidies to reduce project costs and supportive services to households helping them to be good tenants. There are also strategies being developed to make accessing housing easier, minimizing the red tape, particularly for homeless and those facing homelessness.

The City will continue its proactive position regarding affordable housing by continuing to provide both financial and technical assistance to affordable housing activities and projects. The City is committed to the principle that all individuals should have available to them an equal opportunity for housing choices regardless of their race, color, religion, familial status, sex, national origin or handicap.

The Analysis of Impediments to Fair Housing Choice (AI) was conducted along with the Consolidated Plan. The entire report is included in the Attachments Section.

The City will focus resources toward educating the community in regard to Fair Housing. Following are recommendations from the AI.

1. Establish efforts, in partnership with the Office of Multicultural Affairs, to identify Section 3 businesses and residents with skills and establish a Section 3 list for agencies that receive federal funds.
2. Explore partnerships to provide ride share programs to help people in these areas get access to these jobs.
3. Partner with YFD to create safe waiting areas where parents can drop their kids off early for magnet school buses that pick up after the start of the workday.
4. Incorporate requirements for computer and internet access in all future PILOT and federally funded housing projects in these areas. Partner with schools and nonprofits to increase awareness of discounted internet access available.
5. Coordinate economic and educational opportunities in R/ECAP areas through onsite informational fairs with outside partners. These events will incorporate information on housing, employment, and education options along with fair housing education information.
6. Explore working with YFD to establish a list of college students that are willing to volunteer time to tutor students in R/ECAP areas.
7. Host magnet school fairs, in partnership with Hamilton County Department of Education, in R/ECAP census tracts and public housing sites to educate and assist families with magnet schools applications
8. Revise City housing programs to require more accessible units than federally required in multi-family developments.
9. Explore setting aside CDBG funds to provide accessibility accommodations for those who cannot afford them.
10. Explore working with non-profit partners to target financial literacy programs in R/ECAP areas and to disadvantaged populations, by having classes during community and neighborhood association meetings, and at churches.
11. Increase varied housing types through modified zoning (middle housing); spot zoning for multi-family development; streamlined permitting for small-scale rental housing like duplexes. Help support the expansion of Form Based Code.
12. Explore hosting an architectural design contest to find aesthetically pleasing options for built in accessibility for housing units. These options will be incorporated/favored into future housing developments funded by the City.
13. Work with subrecipients to target rehab programs in R/ECAP areas by using intentional place-based promotion and attending City-hosted informational fairs.
14. Explore revising City housing programs to provide additional points for projects located in R/ECAP areas.
15. Target Lead Hazards Reduction program outreach to R/ECAP areas to provide more lead safe homes for children. Support the renovation of aging CHA housing sites through funding assistance

16. Support programs that work to house the hard-to-serve populations (disabled, ex-offenders, homeless)
17. Work with non-profits who work with ex-offenders to provide information on housing options and ex-offender friendly landlords
18. Explore various levels funding based on location of affordable housing projects
19. Support developments that would include full service grocery stores in the urban core
20. Explore options to support redevelopment efforts involving place-based options for housing, transportation, education, recreation, and healthy living, as prescribed by the results of the Chattanooga-Hamilton County Regional Planning Agency's Area 3 Plan.
21. Explore reserving CDBG demolition funds for properties located in the R/ECAP areas.
22. Explore options to support place-based options transportation as prescribed by the results of CARTA's
23. Redesign Plan, particularly with respect to the walkability and safety of bus stops
24. Provide CDBG funding to establish fair housing outreach and education efforts, with the intention of applying for the Fair Housing Initiative Program – Education and Outreach Initiative grant in a couple of years to scale up outreach efforts.
25. Explore partnering with local attorneys to assist with fair housing complaints in an effort to give people alternatives routes to reporting fair housing violations.
26. Establish effective fair housing outreach methods to the Hispanic community and increase the capacity of Hispanic community advocates to identify and assist with fair housing violations.
27. Create an email list for all area non-profits, landlords, developers, and advocacy groups to disseminate information related to fair housing, such as fair housing law changes, opportunities to comment on law changes, fair housing resources, and information to provide at their places.
28. Include the LGBT community in annual fair housing conferences to continue to increase awareness of their barriers to fair housing with the hope of increasing advocacy and options for the LGBT community.
29. Make fair housing literature readily accessible in English and in locally appropriate Spanish and distribute it throughout the city to educate citizens on what fair housing is and the applicable violations

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In the spring of 2018, the City of Chattanooga tasked Chattanooga’s Interagency Council on Homelessness (CICH) with creating a community plan to reduce homelessness in the community. In order to develop a plan that accelerates the community’s progress towards reducing homelessness, a comprehensive analysis on the current state of homelessness in Chattanooga was needed to identify gaps, needs and input into how the Chattanooga community could improve its approach to reducing homelessness. Through key informant interviews, planning sessions with key stakeholders, a public meeting and secondary data analysis, the 2018 Chattanooga Community Action Plan was developed.

The 2018 Chattanooga Community Action Plan addresses strategies to combat and end homelessness in the city for people experiencing homelessness both episodically due to a housing crisis, and chronically due to mental or physical health crises or substance use disorders.

A logic model presents the CICH’s action items for moving an individual or family from homelessness to permanent housing and housing stability. These action items were developed through consultation with the CICH and key stakeholders throughout the planning process. This plan attempts to provide a roadmap for the community by describing the action item considered, the recommended actions necessary to implement the action, the resources needed, potential partners, milestones and anticipated timeline, as well as what impact the action could have on the community and performance measures to guide that impact.

The Plan assumes the flow of a person’s path from homelessness begins with first identifying a person experiencing homelessness, then placing the person in emergency and temporary shelter, assisting with placement into permanent housing, and finally ensuring housing stability and homelessness prevention. The action associated with each component are provided below:

Identifying People Experiencing Homelessness

The 2018 Chattanooga Community Action Plan makes several recommendations to enhance identification of people experiencing homelessness and link them to available resources. Short-term recommendations include creating a standardized assessment and referral process, expanding outreach worker capacity, as well as creating a database of available housing units and a database of resources. Long-term recommendations include use of a mobile services van,

as well as the Clean and Safe Ambassador Program through a possible Business Improvement District.

Emergency and Temporary Shelter

Emergency and temporary shelters provide the immediate need of shelter and a safe place to sleep for people experiencing homelessness as well as more quickly connecting them with housing and support services. The 2018 Chattanooga Community Action Plan recommends two actions including reestablishing a program that provided hotel vouchers for temporary shelter in the short-term, as well as establishing a 24/7 low-barrier emergency shelter in the community over the long-term. Each recommendation addresses the immediate need of shelter and safety for people experiencing homelessness. To ensure alignment with the community's Housing First approach to end homelessness, it is imperative that people experiencing homelessness who receive a hotel voucher for temporary shelter or access the emergency shelter are linked immediately to a Housing Navigator, described in the next action, for placement into permanent housing as quickly as possible.

Placement into Permanent Housing

Communities focused on a Housing First approach to end homelessness emphasize strategies that reduce the amount of time a person experiences homelessness. For people experiencing homelessness chronically, the goal is placement into permanent supportive housing that provides long-term support. For people experiencing homelessness episodically due to a housing crisis, the goal is rapid re-housing that quickly returns them to permanent stable housing.

The 2018 Chattanooga Community Action Plan recommends establishing housing navigator positions to focus specifically on placement into permanent housing, expanding intensive case management and service coordination positions, establishing a flexible community fund for rental assistance, move-in costs or utility payments, as well as increasing the available scattered site housing unit capacity for people experiencing homelessness through landlord engagement and incentives.

Housing Stability and Homeless Prevention

Several recommendations within the 2018 Chattanooga Community Action Plan serve dual purposes in their support of the community's vision to end homelessness. This includes the Clean & Safe Ambassador program, which can serve the dual purpose of identifying people experiencing homelessness, as well as employing appropriate candidates as Ambassadors who

successfully exited homelessness and continue in stable housing. The flexible community fund can also serve a dual purpose to help place people experiencing homelessness into permanent housing, as well as help people who exited homelessness who may need additional support to avert reentry into homelessness.

Several new recommendations within the 2018 Chattanooga Community Action Plan support housing stability and homelessness prevention. For people experiencing homelessness chronically, the Plan recommends increasing supportive housing capacity by aligning organizations for funding opportunities. To support rapid re-housing efforts and homelessness prevention, the Plan recommends exploring further incentives for developers to build affordable housing units and increasing specialized job fairs to link people exiting homelessness with employers.

Addressing the emergency and transitional housing needs of homeless persons

To end homelessness in Chattanooga, the community must embrace a plan that moves people experiencing homelessness into housing and provides support to keep people housed. The community needs creative solutions to the challenges of obtaining housing for people experiencing homelessness and maintaining housing for those at-risk of becoming homeless. The community understands that services and resources must shift from managing the discomforts associated with homelessness to ending homelessness through permanent housing.

Emergency and temporary shelters provide the immediate need of shelter and a safe place to sleep for people experiencing homelessness as well as more quickly connecting them with housing and support services. The 2018 Chattanooga Community Action Plan recommends two actions including reestablishing a program that provided hotel vouchers for temporary shelter in the short-term, as well as establishing a 24/7 low-barrier emergency shelter in the community over the long-term. Each recommendation addresses the immediate need of shelter and safety for people experiencing homelessness. To ensure alignment with the community's Housing First approach to end homelessness, it is imperative that people experiencing homelessness who receive a hotel voucher for temporary shelter or access the emergency shelter are linked immediately to a Housing Navigator, described in the next action, for placement into permanent housing as quickly as possible.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

People experiencing homelessness face many barriers in their efforts to move into housing. Criminal history, prior criminal convictions, lack of a consistent income, and past debt from utility companies and public housing authorities can make their journey into housing next to impossible. Even with rental assistance, supportive services, and available affordable units, the history and circumstances of people experiencing homelessness causes many landlords to refuse renting to them.

Through the following, the city can build upon recommendations in the Chattanooga Interagency Council on Homelessness' plan to change local policies and create programs that will considerably lower these barriers and decrease homelessness overall.

Re-entry Assistance

- Build upon the success of felon-friendly job fairs with felon-friendly housing fairs
- Hire a housing navigator with a specialty in expunging criminal charges.

Mitigation for Inconsistent Income

- Create an association of landlords who rent to people experiencing homelessness to advocate, coordinate, and communicate to homelessness stakeholders and serve as a point of contact for assistance access.
- Consider a landlord mitigation fund to cover unpaid rent or damages up to a certain period of time.
- Consider an umbrella liability policy that covers landlords who rent to people experiencing homelessness.
- Partner with the Office of Workforce Development to connect people exiting homelessness with workforce resources and jobs.
- Draft lease addendums outlining provisions of supportive services and job support that a client will receive once housed.

Debt Management

- Create a "homeless preference" program with local utilities for people experiencing homelessness or offer community service hours as a way to pay off debt.
- Implement a flexible housing fund that would help with utility debt, rent deposits, and temporary rent assistance.
- Advocate to change Chattanooga Housing Authority policy for debt management and legal fees.

Placement into Permanent Housing

Communities focused on a Housing First approach to end homelessness emphasize strategies that reduce the amount of time a person experiences homelessness. For people experiencing homelessness chronically, the goal is placement into permanent supportive housing that provides long-term support. For people experiencing homelessness episodically due to a housing crisis, the goal is rapid re-housing that quickly returns them to permanent stable housing.

The 2018 Chattanooga Community Action Plan recommends establishing housing navigator positions to focus specifically on placement into permanent housing, expanding intensive case management and service coordination positions, establishing a flexible community fund for rental assistance, move-in costs or utility payments, as well as increasing the available scattered site housing unit capacity for people experiencing homelessness through landlord engagement and incentives.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Housing Stability and Homelessness Prevention

As part of the Housing First model, the Chattanooga community also embraces rapid re-housing interventions that connect people experiencing homelessness with permanent housing as quickly as possible through a personalized assistance package that may include time-limited financial aid or targeted supportive services. An emphasis on rapid re-housing reduces the amount of time an individual or family experiences homelessness. Rapid re-housing program recipients tend to experience homelessness due to an episodic financial or medical crisis that resulted in the loss of housing. Most program recipients require short-term assistance so the individual or family can return to permanent, stable housing.

Several recommendations within the 2018 Chattanooga Community Action Plan serve dual purposes in their support of the community's vision to end homelessness. This includes the Clean & Safe Ambassador program, which can serve the dual purpose of identifying people experiencing homelessness, as well as employing appropriate candidates as Ambassadors who successfully exited homelessness and continue in stable housing. The flexible community fund can also serve a dual purpose to help place people experiencing homelessness into permanent

housing, as well as help people who exited homelessness who may need additional support to avert reentry into homelessness.

Several new recommendations within the 2018 Chattanooga Community Action Plan support housing stability and homelessness prevention. For people experiencing homelessness chronically, the Plan recommends increasing supportive housing capacity by aligning organizations for funding opportunities. To support rapid re-housing efforts and homelessness prevention, the Plan recommends exploring further incentives for developers to build affordable housing units and increasing specialized job fairs to link people exiting homelessness with employers.

The plan provides support for tenant-based rental assistance programs in an effort to prevent evictions and the homelessness that would ensue and the preservation and production of affordable housing. Ensuring that residents are occupying and/or have access to housing that is decent, safe, and affordable is one of the primary components to obtaining and maintaining stability.

As part of the Housing First model, the Chattanooga community embraces permanent supportive housing interventions for the chronically homeless. The United States Department of Housing and Urban Development (HUD) defines chronic homelessness as a person with a disabling condition who experiences continual homelessness for at least one year or four periods of homelessness within three years. Permanent supportive housing program recipients usually have a diagnosed disability, including serious mental illness or disabling drug addiction. Deploying a Housing First model and investing in permanent supportive housing can help people experiencing chronic homelessness who suffer from serious mental illness and substance use disorders access and maintain housing over time.

The City also provides funding for organizations that offer emergency shelters through the Emergency Solutions Grant program.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

Based on data in a previous section of the plan the number of units that are considered to have a high risk of lead-based paint hazards is approximately 3,359.

The City of Chattanooga was awarded a HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) grant from fiscal year 2017 funding in the amount of \$1,500,000 for lead hazard control and \$150,000 for healthy home improvements. Award number THLH 0653-17 work plan time period is January 2, 2018 through January 1, 2021.

The City of Chattanooga Lead Safe and Healthy Homes will:

- Conduct lead-based paint inspection/risk assessments and provide lead hazard control remediation in a minimum of 75 units,
- Provide healthy home improvements in a minimum of 40 units,
- Conduct education and outreach to provide information on lead-based paint safety and the prevention of Childhood Lead Poisoning, while also providing enrollment opportunity to approximately 200,000 Chattanooga area residents,
- Provide lead-based paint abatement training to 50 Chattanooga construction professionals to expand the number of trained abatement professional workers.

Chattanooga Lead-Safe and Healthy Home Program is a no-cost to the occupant program available to both low- income owner and tenant occupied homes built before 1978. Owner occupied homes shall qualify through 80% AMI and tenant occupied homes shall qualify at 50% AMI. The purpose of the programs is to provide lead hazard control and healthy home related home repair services to low- and moderate-income homeowners and tenants in the City of Chattanooga jurisdiction. All lead hazard remediation services for the City of Chattanooga Lead Hazard Control Grant Program shall be completed by Tennessee Department of Environment and Conservation certified Lead-Based Paint Abatement professionals.

Services will include but not be limited to: lead-safe work practices; abatement that includes component replacement, enclosure and encapsulation; scraping/prepping and painting interiors and exteriors; replacement or installation of exterior siding, windows and/or window-frames, interior/exterior doors and doorframes; along with any associated general carpentry/construction work necessary to accomplish timely, quality services meet federal HUD OLHCHH funding compliance requirements, and protect Chattanooga children from the detrimental effects of Childhood Lead Poisoning.

A major component of minimizing the risk to lead-paint exposure is education. Under the grant Chattanooga has programs in place which are intended to reduce the incidence of childhood lead poisoning through both education and remediation.

How are the actions listed above related to the extent of lead poisoning and hazards?

Households City-wide that meet the program requirements of having a child(ren) less than six years of age who visits/lives in the home for more than 6 hours per week, pre-1978 housing, and HUD income guidelines of 80% AMI or below are eligible, with priority assistance given to EBLL cases. In the event that lead hazards are identified on a property, but the project is not eligible for remediation through the program due to income, insurance, or other requirements, the program still provides education on reducing lead exposure, outreach materials, and/or cleaning supplies in order to mitigate the hazard. Outreach events and activities conducted through the Lead Safe program provide education to homeowners and renters about minimizing lead-based paint hazards in the home.

Ongoing coordination between the Office Community Development, the Department of Public Health and Wellness, and partners increases the likelihood that income-eligible households with children facing lead-based paint hazards will be directed to the City's Lead Safe program.

For all structures constructed prior to 1978, all work performed on areas that potentially contain lead-based paint shall be tested for lead-based paint. If lead-based paint is positively identified, then treating or removing the lead-based paint in disturbed areas, including interim controls and lead-safe work practices, will be incorporated into the project as required by the amount of CDBG and/or HOME funding.

Hamilton County, through their lead grant funding, prioritizes projects where children under age six reside in the unit. Testing of children under age six is also required to participate in the program. Lead-poisoning cases are given priority over all other projects through the program.

Lead-safe work practices will be undertaken for all projects and interim and/or abatement of lead-based paint will be carried out in accordance with HUD regulations.

How are the actions listed above integrated into housing policies and procedures?

The City of Chattanooga CDBG and HOME program policies include provisions for compliance with applicable lead-based paint hazard regulations.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The City of Chattanooga provides general funds to non-profit agencies. These activities historically benefit a large number of very low- and low-income persons many provide self-sufficiency training and employment/educational programs.

The Chattanooga Housing Authority operates a Family Self Sufficiency Program which has the goal of promoting economic independence (for its clients on rental assistance). Existing opportunities for education, occupational training and job seeking assistance are coordinated to assist families in overcoming the barriers that prohibit them from achieving self-sufficiency. Participants in the Family Self Sufficiency work towards setting and obtaining future life and career goals by accomplishing specific activities and objectives.

The City's Youth and Family Development Centers provide programs to help residents attain and sustain economic self-sufficiency by engaging them in activities to make them more competitive in the local job market. These activities include basic education and customized job training, personal and career development, employment and life skills workshops, job placement and vocational assessment and counseling.

Several non-profits, including the Urban League and LAUNCH, provide entrepreneurial classes to assist potential entrepreneurs with starting their business and making it successful.

Data from the American Community Survey (2018 ACS 5-Year Estimates) indicates that 31,917 persons, or 18.8%, of Chattanooga residents live in poverty. For children under the age of 18, the number balloons to 28.8%. Poverty in Chattanooga is disproportionate in regards to gender, race and ethnicity with 19.8% of women (compared with 17.6% of men), 28.2% of African Americans, and 31.2% of Hispanics living in poverty. Moreover, substantial numbers of people live at less than 200% of poverty (69,407).

The City Youth and Family Development (YFD) encompasses client-based social services for City government with the intent to serve the needs of low-income and vulnerable populations in a holistic way. The Department of Youth and Family Development's top priority is providing a better quality of life for the citizens of Chattanooga, through education, recreation, social services, leadership and career development.

The mission of YFD is to fight poverty and promote compassion, stability, and the empowerment of residents and communities. The agency promotes the participation of the entire community in the reduction of poverty, and it mobilizes and utilizes multiple resources – financial or otherwise – in an attack on poverty.

YFD also provides services, assistance, and other activities designed to eliminate poverty and foster economic security. It maintains a comprehensive slate of anti-poverty programs meant to address a continuum of needs from crisis to self-sufficiency, including:

- **Financial Empowerment Services**—provides financial education classes, trains frontline staff, and coordinates financial empowerment initiatives and events.
- **Financial Assistance**—provides financial assistance for housing and utility payments coupled with case management services to households with an employment history.
- **Foster Grandparent Program**—offers seniors with limited income the opportunity to serve as mentors to children with “exceptional or special needs.” Foster Grandparents lend their time, skill, and life experiences to assist children in reaching their potential academically, behaviorally, and developmentally. In return for volunteering, Foster Grandparents receive a small tax-free stipend.
- **Job Development & Workforce Training**—provides case management and financial assistance to job seekers experiencing homelessness to obtain specialized skills needed for living-wage employment.
- **Low Income Home Energy Assistance Program (LIHEAP)**—provides financial assistance to prevent utility disconnection during winter months for low-income residents.
- **Supportive Services**—provides clients enrolled in all case-managed department programs assistance with removing common barriers to self-sufficiency goals, including childcare, transportation, housing, and expungement financial assistance. These programs, and the work of YFD as a whole, impact the entire community, especially low- to moderate-income populations, by:
 - **Strengthening household stability**

The City has always recognized the need for taking a more coordinated and cooperative approach to addressing anti-poverty through affordable housing. City's affordable housing initiatives will serve to reduce poverty by providing access to affordable rental housing and using homebuyer assistance and homeowner rehab programs to help families build and retain equity in their homes. This is incorporated in the Consolidate Plan Goals noted below:

- a) Increase supply of affordable rental housing
- b) Preserve existing housing stock
- c) Housing/services to special needs populations
- d) Increase access to homeownership opportunities
- e) Provide funding for public improvements in coordination with housing
- f) Promote economic development activities

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The City has always recognized the need for taking a more coordinated and cooperative approach to addressing anti-poverty through affordable housing. City's affordable housing initiatives will serve to reduce poverty by providing access to affordable rental housing and using homebuyer assistance and homeowner rehab programs to help families build and retain equity in their homes. ECD has identified six goals that they will focus on for FY 2020-2021. The department will combine its resources along with other public and private funds and partners to accomplish the following goals:

a) Increase supply of affordable rental housing

- Reduce the number of run-down properties through rehabilitation and demolition and increase the supply of affordable housing units throughout the City.

b) Preserve existing housing stock

- ECD facilitates the Affordable Housing Initiative, HOMEAgain Program, Transitional Housing Initiative, Rental Property Renovation Program, and the Home Repair Program – which work to repair, build, or maintain high quality housing within the City of Chattanooga.
- Blighted and abandoned properties lower property values when left unkempt and can increase the risk of fire and crime by becoming a refuge for criminals. By issuing blight related violation notices or turning blighted properties into neighborhood assets, the City is helping keep our neighborhoods safe and strong.

c) Housing/services to special needs populations

- The City will partner with local entities, CICH, and developers to identify developers desiring to construct or rehab units in collaboration with organizations serving special needs populations.

d) Increase access to homeownership opportunities

- The City will continue to support homeownership development and homeownership education programs.

e) Provide funding for public improvements in coordination with housing

- The City will target infrastructure money where it will best complement the development of new affordable housing.

f) Promote economic development activities

- Through the City's Section 108 Loan Guarantee Program, managed by Southeast Tennessee Development District, loans will be available for businesses to create or retain jobs for low- to moderate- income persons.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of Chattanooga carries out HUD-funded activities through the Community Development Division in the Department of Economic & Community Development (ECD). Projects and programs that are funded with HUD funds - CDBG, ESG and HOME funds are subject to monitoring.

All subrecipients receiving CDBG, HOME and ESG funds are monitored on a regular basis through the submittal of either monthly, quarterly, or one-time reports to ECD, as identified in their annual contracts. Each report provides statistics on the program participants and a narrative on the activities undertaken during the reporting period. The information that is provided to ECD is input into HUD's Integrated Disbursement and Information System (IDIS). On either a monthly, quarterly, or one-time basis, dependent upon the Funding Agreement, the subrecipients submit reimbursement requests including proof of payment for all expenses.

For organizations that receive funds for development of housing, long-term affordability controls (either rental or ownership) are recorded in conjunction with the funding documents. ECD staff conducts compliance reviews as required by the program regulations or as deemed prudent. In addition, each recipient of funds is subject to federal audit requirements. Any deficiencies or findings are followed up by the City.

For rental complexes that have received funding through the CDBG, or HOME programs, regular reporting and compliance monitoring is conducted by ECD staff. Quarterly reporting includes information on the number of household members, household income level, if the household receives HCV rental assistance; the bedroom size of the unit, if the unit is HOME assisted; the rent being charged; the maximum rent that can be charged for the unit; and the household's recertification date. HOME units are subject to regular on-site monitoring.

CD has responsibility for:

- Coordinating Consolidated Plan activities with other City departments and partner agencies;
- Ensuring programmatic and financial reporting requirements are met;
- Producing the Consolidated Plan and Annual Action Plans, including the facilitation of citizen participation;

- Preparing the Consolidated Annual Performance and Evaluation Report (CAPER);
- Managing the IDIS reporting system;
- Ensuring compliance with labor standards, environmental review, conflict of interest, Section 3, Fair Housing, and additional compliance requirements;
- Assuring adherence to affordability periods;
- Overseeing the annual allocation of CDBG public service, and ESG funds to subrecipients;
- Ensuring programmatic and financial reporting requirements are met;
- Monitoring outside recipients for compliance with federal regulations.

Risk assessments are performed annually for each subrecipient to identify the potential risk level for non-compliance prior to the start of the program year. Subrecipients found to be at low risk may receive a desk review rather than an on-site review. Those found to be at high risk receive a more comprehensive on-site review.

Checklists are used to ensure monitoring staff review programs in accordance to regulatory requirements specific to each funding source - CDBG, HOME, or ESG. The checklists are tailored to accommodate for the type of review being provided, Desk or On-site reviews.

The steps for each type of review are as follows:

Desk Review

Examine both routine and special reports from program staff, housing owners/ developers/ sponsors, subrecipients, and subgrantees. This type of monitoring identifies potential problems by analyzing in-house documentation. Monitoring staff review the following to assess performance and look for indicators of performance or compliance deficiencies:

- Work Program and Budgets and/or written agreements (including loan agreements, if applicable)
- Monthly, quarterly, or annual reports
- Draw-down requests and supporting documentation
- Applicable IDIS reports
- Correspondence between in-house staff and the funding recipient
- Reports from previous monitoring reviews
- Copies of audit reports
- Telephone interviews

This information enables the monitoring staff to evaluate performance and identify any compliance issues.

Prepare and submit to the subgrantee a finalized report detailing any findings and concerns discovered. Subrecipient must submit corrective action steps to CD within 30 days.

On-Site Review

Visit the program or project to gather specific information and observe programmatic and administrative elements. This is the most comprehensive monitoring as it gives the clearest picture of the funding recipients and their projects. Steps in conducting an on-site monitoring are as follows:

- Perform a desk review
- Conduct the monitoring visit (including entrance and exit conferences)

Prepare and submit to the subgrantee or subrecipient a finalized report detailing any findings and concerns discovered (and any necessary follow-up).

The CDBG and HOME programs performance is evaluated by staff at the end of the City's fiscal year, June 30th. That review is incorporated into the CAPER.

On an annual basis, the City submits the HOME MBE/WBE Report to HUD. The City encourages participation from minority and women business enterprises. This effort includes notices in bid solicitation, newspaper advertisements and contract clauses requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for minority and women business enterprises.

Inspections

In addition to performing Desk and On-site reviews of subrecipients, projects funded with federal dollars are also inspected for compliance with local codes and rehabilitation standards.

HOME-funded projects are inspected for compliance throughout their affordability period. The intervals by which we schedule inspections depend on the number of units within each project. As required by HOME, projects containing 1-4 units are inspected every 3 years, projects containing 5 to 25 units are inspected every 2 years, and projects containing more than 25 units are inspected yearly.

For CDBG-funded projects, inspections are conducted as needed throughout the term of the agreement to ensure they meet local code requirements. Public Facilities projects are monitored to ensure use requirements 24CFR 570.505 are met.

For ESG-assisted activities, inspections are performed to ensure the facility is in compliance with local habitability standards.

As with the desk review, this information enables the monitoring staff to assess performance and identify any compliance issues.

All CDBG-funded subrecipients are required to submit periodic reports detailing accomplishments, expenditures, beneficiary demographics, and delays or problems encountered in meeting their benchmarks. CD program staff review reports to assess the progress of each activity, evaluate expenditure rates, and determine if the subrecipient is carrying out the activity as planned or whether technical assistance might be necessary to assist the subrecipient and ensure compliance with regulations.

With the responsibility of maintaining the IDIS system, CD staff regularly reviews the programmatic and financial information within the database to monitor the department's performance, including the timeliness of expenditures. All monitoring activities are conducted as prescribed by the regulations appropriate to the respective funding source. As part of its commitment to continual improvement, the City, through CD staff will regularly review and enhance its monitoring processes and procedures in accordance with grant and audit guidelines

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Chattanooga receives funding from three federal grant programs, the Community Development Block Grant Program, the HOME Investment Partnership, and the Emergency Solutions Grant Program. It is anticipated that these three grant programs combined will bring \$2,470,490 into the city to support affordable housing, homeless, and community development programs and projects. An additional \$295,000 in program income from CDBG and HOME projects brings the total resources for the first year of the Consolidated Plan to \$2,765,490 and approximately \$13,827,450 for the five years covered under the Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,596,240	375,316	0	1,971,556	7,886,224	Expected amount for remainder of Con Plan is Year 1 times 4

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	847,236	491,000	0	1,338,236	5,352,944	Expected amount for remainder of Con Plan is Year 1 times 4

Table 63 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

To supplement efforts in preserving affordable housing with CDBG and HOME, the City applied for and received HUD Lead Hazard Control and Healthy Homes grants totaling \$1,650,000. CDBG qualifies as an eligible match for the grant. The grant funds will be integrated into current programs addressing minor home repair (health/safety issues) to substantial home repair. The City is continuing to integrate these funds into rehabilitation projects, however the grant will come to an end in January 2021.

Housing activities are expected to be heavily leveraged with developer resources, the City's Affordable Housing Fund of \$1 million dollars, and other City General Funds for summer home-repair programs, Low Income Housing Tax Credits, local PILOT projects, and foundation funding.

As the City of Chattanooga is not qualifying as an Entitlement for the grant in 2020, (and possible for 3-4 years thereafter), the City will receive \$161,250 in Emergency Solutions Grant (ESG) funds from the State of Tennessee through Tennessee Housing Development Agency (THDA). The

City assists agencies providing services to homeless individuals and families through general fund allocations totaling approximately \$1.5 million.

The required match for HOME funds will be addressed through carry-over HOME match, donated property, and partner contributions. This requirement is outlined in the subrecipient agreement.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Critical tools the City expects to utilize in addressing affordable are the City's Affordable Housing Fund and the revised PILOT program. The PILOT program now requires that a minimum of fifty percent (50%) of the units in a project be available to low-income residents with incomes below 80% AMI. The City will utilize the Affordable Housing Fund in conjunction with other initiatives, strategically, for the purpose of developing/preserving affordable in an impactful way.

One such initiative is the Owner-occupied Duplex Program. The City will make City-owned duplexes, (abandoned, back-tax properties) available to qualified developers to renovate and sell. The City will provided up to \$20,000 in down-payment assistance to the buyer who, for a period of seven years, will be required to occupy one side and rent the other unit to a low-income household.

This program will: (1). Reduce vacant and blighted properties, (2). Attract investment to neighborhoods, (3). Provide quality affordable housing with appealing design, (4). Increase homeownership, (5) Create wealth-building opportunities, (6). Increase community engagement, and (7). Reduce crime. The City also allows non-profit entities to request City-owned, back-tax properties for the development of affordable housing.

Other vacant, abandon properties and lots can also be made available to non-profit or for profit entities to renovate (if feasible) or to construct new units of affordable housing.

Discussion

To accomplish the goals outlined in the Consolidated Plan the City will have to rely heavily on resources and tools outside of the above allocations as the funding is steadily decreasing. Program income was not added into the expected funding for years 2-5 as that resource is also decreasing at an unpredictable rate.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Affordable Housing Opportunities	2020	2021	Affordable Housing	City-wide Activities	Increase Supply of Affordable Rental Housing Preserve existing housing stock Increase access to homeownership opportunities Improved/Increased Access/Retention to Housing	CDBG: \$600,306 HOME: \$1,077,313	Public service activities for Low/Moderate Income Housing Benefit: 2000 Households Assisted Rental units constructed: 80 household units Rental units rehabilitated: 100 household units Homeowner Housing Added: 10 household units Homeowner Housing Rehabilitated: 50 household units Households assisted with home purchase: 5 households

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Services and Housing for Homeless	2020	2024	Homeless	City-wide Activities	Improved/Increased Access/Retention to Housing	CDBG: \$25,000	Public service activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted Tenant-based Rental Assistance / Rapid Rehousing: 30 Households Assisted Homelessness Prevention: 450 Persons Assisted
3	Increase Employment Opportunities	2020	2024	Non-Housing Community Development	City-wide Activities	Promote economic development activities	CDBG: \$336,000	Jobs created/retained: 36 Jobs Businesses assisted: 9 Businesses Assisted
4	Community Dev Public Facilities & Infrastructure	2020	2024	Non-Housing Community Development	Eligible Census Tracts	Community public facilities /infrastructure	CDBG: 0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 63867 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Administration and Planning	2020	2024	Admin	City-wide Activities	Community public facilities /infrastructure Housing and services for homeless populations Improved/Increased Access/Retention to Housing Increase Supply of Affordable Rental Housing Increase access to homeownership opportunities Preserve existing housing stock Promote economic development activities	CDBG: \$394,300 HOME: \$133,823	Other: 63867 Other

Table 64 – Goals Summary

Goal Descriptions

1	Goal Name	Increase Affordable Housing Opportunities
	Goal Description	Rental acquisition and rehabilitation, new construction of rental and homeowner, homeowner rehab, homeowner downpayment assistance, homebuyer/renter outreach/education, lead-based paint hazards, code enforcement, Fair Housing.

2	Goal Name	Services and Housing for Homeless
	Goal Description	Activities to serve the homeless
3	Goal Name	Increase Employment Opportunities
	Goal Description	Through Section 108 Loan, assist with job creation/retention, and business/individual development/expansion
4	Goal Name	Community Dev Public Facilities & Infrastructure
	Goal Description	Community development public facilities and infrastructure in coordination with housing.
5	Goal Name	Administration and Planning
	Goal Description	Grant oversight and management
6	Goal Name	Blight Removal
	Goal Description	Demolitions of substandard structures detracting from neighborhood stability
7.	Goal Name	Public Services
	Goal Description	Providing public services relative to housing stability.

Projects

AP-35 Projects – 91.220(d)

Introduction

The following projects will be funded for the FY 2020-2024 year to achieve our goals. All of the projects funded align with our six main priorities:

1. Increase the supply of affordable housing
2. Preserve existing housing stock
3. Housing and services for special needs populations
4. Increase affordable housing opportunities
5. Provide funding for public improvements in coordination with housing
6. Promote economic development activities

Projects

#	Project Name
1	CD Administration - CDBG and HOME
2	Community Development - Section 108 Debt Service
3	ECD Housing Assistance and Preservation
4	CCHDO Roofing Program
5	Chattanooga Neighborhood Enterprise - Home Improvement Program
6	Family Promise - Homeless Stabilization Case Management
7	Habitat for Humanity - Neighborhood Development Home Repair Program
8	ECD - HOME Affordable Housing Preservation & Production
9	Catholic Charities
10	Chattanooga Hamilton County Health Department
11	CHDO Set Aside

Table 65 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The distribution of funds for this fiscal year is based upon priorities developed in the Consolidated Plan process for Fiscal Years 2020-2021. Allocations are approved based on a competitive solicitation of proposals from non-profit organizations, including: social services agencies and affordable housing developers that are committed to provide housing and services to low to moderate income households, to prevent homelessness, to serve the homeless, to improve communities and to provide economic development opportunities.

Funding is allocated to entities carrying out eligible activities/projects/programs identified in the consolidated plan as a high priority. Requests are reviewed and evaluated on a number of criteria such as eligibility, organizational capacity, leveraging ability, number and income of

citizens being served, and area being served. All activities/projects/programs are within a low/moderate income census tract or are programs that serve low/moderate income citizens, all within the city limits of Chattanooga.

The City of Chattanooga currently has a deficit in decent, affordable rental housing. The city is inundated with substandard rental properties and blighted, abandoned homes. Affordable rental housing has also been labeled as a high priority by the citizens.

The competitive housing market reduces the incentive for slum-lords to improve rental properties. They can rent the unit even if it is not up to code. Affordable rental housing has been labeled as a high priority by the citizens. Many "affordable" units are occupied by individuals who are not necessarily income-challenged thus reducing the number of units affordable to the low-income households. To combat these challenges the City incorporates incentives into housing programs to encourage the improvement/development/preservation of affordable housing.

Issues with regulations have slowed the expected progress of the Affordable Housing Initiative. A Land Bank Authority has been approved, allowing properties to be easily transferred to other partners for the purpose of developing affordable rental housing.

AP-38 Project Summary
Project Summary Information

1	Project Name	CD Administration - CDBG and HOME
	Target Area	City-wide Activities
	Goals Supported	Administration and Planning
	Needs Addressed	
	Funding	CDBG: \$394,300 HOME: \$133,823
	Description	To cover general expenses related to administrating, managing, and monitoring CDBG funded projects/programs/activities. Up to 20% of the CDBG HUD allocation plus 20% of program income generated from CDBG funded activities may be used to cover general grant administration costs. For HOME, up to 15% of the new allocation plus 15% of program income may be used for eligible grant administration.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Administering, managing, and monitoring CDBG and HOME funded activities.
2	Project Name	Community Development - Section 108 Debt Service
	Target Area	City-wide Activities Eligible Census Tracts
	Goals Supported	Increase Employment Opportunities
	Needs Addressed	Promote economic development activities
	Funding	CDBG: \$336,000

	Description	Section 108 loan debt service retirement. In 2019, the City re-financed the Section 108 debt through a new HUD-managed public offering and as a result will realize a net savings of \$90,735.00 over the remaining life of the loan.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Loan repayment for economic development loans for job creation/retention and HOPE VI infrastructure. Anticipating assisting 9 businesses to create/retain 30 jobs to be available to low-to moderate income individuals.
	Location Description	City-wide.
	Planned Activities	Assisted businesses that involve the creation or retention of jobs at least 51% of which benefit low/moderate income persons may be located anywhere within Chattanooga's city limits. If the assistance is to a business which provides goods or services to residents of a low/moderate income residential area, the business will be located within an area which is primarily residential where at least 51% of the residents are low/moderate income persons.
3	Project Name	ECD Housing Assistance and Preservation
	Target Area	City-wide Activities
	Goals Supported	Increase Affordable Housing Opportunities
	Needs Addressed	Increase Supply of Affordable Rental Housing Preserve existing housing stock Improved/Increased Access/Retention to Housing
	Funding	CDBG: \$400,306
	Description	Funds provided for minor to substantial housing repair for homeowners, rental housing renovations.
	Target Date	6/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Housing activities take place city-wide.
	Planned Activities	Funds provided for minor to substantial housing repair for homeowners, and rental housing renovations.
4	Project Name	CCHDO Roofing Program
	Target Area	City-wide Activities
	Goals Supported	Increase Affordable Housing Opportunities
	Needs Addressed	Preserve existing housing stock
	Funding	CDBG: \$250,000
	Description	Roof repairs and/or replacement for 28 qualified homeowners.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	City-wide
	Planned Activities	Repair and/or replace roofs for qualified low-income homeowners.
5	Project Name	Chattanooga Neighborhood Enterprise - Home Improvement Program
	Target Area	City-wide Activities
	Goals Supported	Increase Affordable Housing Opportunities

	Needs Addressed	Preserve existing housing stock
	Funding	CDBG: \$250,000
	Description	Providing 0-interest to low-interest housing renovation loans to low-income homeowners requiring resources to preserve their home by addressing substantial deterioration and safety issues.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 8 homeowners will be assisted with loans for substantial home improvements. All households will have incomes at or below 80% AMI.
	Location Description	Assistance is available to income eligible households with residents with the city limits of Chattanooga.
	Planned Activities	Substantial home rehabilitation for qualified homeowners, possibly subsidized with a grant for lead abatement.
6	Project Name	Family Promise - Homeless Stabilization Case Management
	Target Area	City-wide Activities
	Goals Supported	Services and Housing for Homeless
	Needs Addressed	Housing and services for homeless populations Improved/Increased Access/Retention to Housing
	Funding	CDBG: \$25,000
	Description	Support for a centralized intake case manager to quickly transition clients from shelter to permanent housing.
	Target Date	6/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	Proposes to assist approximately 450 homeless individuals, all with zero to very low incomes.
	Location Description	Services will be provided as the organization's facility located at 1184 Baldwin Street and will serve clients through the Coordinated Entry System.
	Planned Activities	Personnel support for the Coordinated Assessment and Homeless Prevention program where homeless and near homeless families and individuals receive intake and assessments to identify barriers to success and to get securely linked to case management and rapid rehousing
7	Project Name	Habitat for Humanity - Neighborhood Development Home Repair Program
	Target Area	City-wide Activities
	Goals Supported	Increase Affordable Housing Opportunities
	Needs Addressed	Preserve existing housing stock
	Funding	CDBG: \$75,000
	Description	Rehabilitation of homes for 13 qualifying homeowners
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	City-wide
	Planned Activities	Rehabilitation of homes for qualifying homeowners

8	Project Name	ECD - HOME Affordable Housing Preservation & Production
	Needs Addressed	Increase Supply of Affordable Rental Housing Preserve existing housing stock Housing and services for homeless populations Increase access to homeownership opportunities Improved/Increased Access/Retention to Housing
	Funding	HOME: \$1,077,328
	Description	Preservation and production of affordable rental and homeowner housing.
	Needs Addressed	Increase Supply of Affordable Rental Housing Preserve existing housing stock Housing and services for homeless populations Increase access to homeownership opportunities Improved/Increased Access/Retention to Housing
	Funding	HOME: \$1,077,328
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 27 households will benefit from affordable rental and homeowner housing developed/renovated through the use of HOME funds. Households occupying rental units will have incomes up to 60% AMI and the income of homeowners assisted will not exceed 80% AMI. Rental housing will serve the general population as well as persons with special needs, along with those facing homelessness and related issues.
	Location Description	City-wide.
	Planned Activities	Preservation and production of rental housing and housing for homeownership, partnering with non-profit and for-profit entities selected through a competitive RFP process.
9	Project Name	Catholic Charities
	Target Area	City-wide Activities
	Goals Supported	Preservation of Housing
	Needs Addressed	Housing and services for homeless populations
	Funding	CDBG: \$10,950

	Description	Roof replacement for The Home Place
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 7 individuals.
	Location Description	2601 Citico Avenue Chattanooga, TN 37406
	Planned Activities	Renovations to facility that provides affordable transitional housing to individuals living with HIV/AIDS. Renovations include a new roof.
10	Project Name	Chattanooga Hamilton County Health Department
	Target Area	City-wide Activities
	Goals Supported	Preservation of Housing
	Needs Addressed	Direct assistance to residence for homeless prevention Housing and services for homeless populations
	Funding	CDBG: \$30,000
	Description	Provide rent, deposit and utility payments for the prevention of homelessness for a minimum of 30 people
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Units will be located within the city limits of Chattanooga.
	Planned Activities	Provide rent, deposit and utility payments for the prevention of homelessness

11	Project Name	CHDO Set-Aside
	Target Area	City-wide Activities
	Goals Supported	Increase Affordable Housing Opportunities
	Needs Addressed	Increase access to homeownership opportunities
	Funding	HOME: \$127,085
	Description	Required CHDO set-aside to fund qualified CHDO development projects.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Funding could potentially serve two households through the construction of two homes for homeownership.
	Location Description	Units will be located within the city limits of Chattanooga.
	Planned Activities	Development of affordable housing units for homeownership.
	Location Description	
	Planned Activities	Policy and advocacy meetings, COC APR technical assistance, Point in Time Count, Housing Inventory Count, COC application, Technical Assistance for community COC applications, and COC consistency with Consolidated Plan
	Planned Activities	Affordable homeownership through new construction or the construction/rehab of affordable rental housing, undertaken by an eligible/qualified CHDO.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Funding received for Consolidated Plan projects and activities serve low and moderate income residents and neighborhoods within the city limits of Chattanooga. The current median income for a family of four in Chattanooga is \$70,100. Incomes for families served under these programs/activities do not exceed \$54,250 (80% of the median income for a family of four). Although CDBG regulations require a minimum of 70% of the funds, (over a three year period), be used to benefit low/moderate income residents), past reporting has shown that for the City of Chattanooga, 100% of expenditures met this requirement.

Housing, economic development, and public service activities are provided city-wide while public facility improvements, infrastructure improvements, and some economic development activities, are limited to low-income census tracts. Individuals/families facing homelessness live or originate from within the city limits of Chattanooga. Because of rising housing costs in Chattanooga, to obtain affordable housing, homeless households being assisted with rapid-rehousing may have to be re-housed in other areas within Hamilton County.

Geographic Distribution

Target Area	Percentage of Funds
100	100

Table 66 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Projects that have an area benefit are located in low-to-moderate income designated Census Tracts. At least 51% of citizens in these areas are low-to-moderate income. In regards to investments housing activities, with the City's primary focus (for the use of CDBG and HOME) being housing and housing-related activities, the community is better served with the activities being available city-wide. This allows affordable housing opportunities to be made available throughout the city - giving low-income citizens more options in determining where they want to live. This also helps with minimizing racial concentrations and concentrations of poverty. All households receiving assistance are low-to-moderate income

Discussion

The City of Chattanooga's target area is the entire city, therefore distribution of funds is projected to be city-wide. A great percentage available funding is targeted for the production and preservation of affordable housing activities. Typically, housing activities are not restricted by census tract. If future requirements deem it necessary, strategic target areas may be identified later.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

As in many cities across the nation, for Chattanooga, the dynamics and challenges affecting affordable housing are increasing and constantly and changing. The City is continuously assessing this complicated eco-system to identify resources, align them creatively for efficiency, effectiveness and community impact. Nearly every two years, a local study is done related to affordable housing. Results from these are considered, and in most instances incorporated into the Consolidated Plan and/or annual Action Plans. One of the most recent was prepared by National Resource Network (NRN). Funded by a grant, it was completed November 2016. The grant created a unique partnership of national affordable housing experts – Enterprise Community Partners and workforce development experts – Jobs for the Future who joined with local stakeholders to create a strategy for adults who are both ‘hard to house’ and “hard to employ”. Summary of the findings are as follows:

- Renter Costs Increase: In Chattanooga over the last decade, renters, as compared to homeowners, are the hardest hit by increased housing costs, which have outpaced their income gains. Between 1990 and 2014, housing costs for renters increased 57%, while median income only increased 3% over the same time period. Renters represent 72% of what HUD defines as "housing insecure households".
-
- Subsidized Units at Risk: Chattanooga is at risk of losing a large number of 'income restricted' units in the coming years. Within Chattanooga, 2,108 federally subsidized units are at-risk of expiring by 2030, with a majority of expirations occurring between 2016 and 2025.
-
- Housing Disparity: Although 52% of housing insecure households identify as White, housing insecurity affects Black and African Americans at a higher rate than it affects the City's total population (38% compared to 29%).
- Transit Limited: Lack of high-frequency transit service limits opportunity. Outside of downtown, transit frequency is likely to be 60 minutes or more.
-
- Hard to House also Hard to Employ: Housing insecure households also have high unemployment and low educational attainment, with 24% lacking a high school diploma and 48% lacking post-secondary credentials.

The report recognized successes, including provisions of the recently adopted form-based code, the ‘missing middle’ initiative, the Chattanooga Land Bank Authority, changes to the housing PILOT program, and a broad frame of housing as a part of larger stronger neighborhoods framework. The report recommended exploring a community land trust model, and creating a dedicated funding source for an

affordable housing trust.

In April 2018, Mayor Berke announced the creation of an affordable housing fund, capitalized at \$1 million dollars. Through the Department of Economic and Community Development (ECD), the City has made affordable rental and homeownership housing a priority. ECD will commit general fund dollars, CDBG, and HOME funds to the preservation and production of affordable units for rental and homeownership. In addition, ECD through the City's PILOT Program and the Affordable Housing Fund will seek to partner with developers to support large-scale affordable rental units. ECD is also committed to housing-related services, such as homebuyer education and infrastructure improvements that support affordable housing, including sidewalks, sewer lateral replacements, and demolition of blighted structures.

One Year Goals for the Number of Households to be	
Homeless	450
Non-Homeless	2275
Special-Needs	0
Total	2725

Table 67 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,000
The Production of New Units	90
Rehab of Existing Units	150
Acquisition of Existing Units	5
Total	1,245

Table 68 - One Year Goals for Affordable Housing by Support Type Discussion

CDBG, and HOME funds will be used to address the preservation and production of affordable housing through the following efforts:

Affordable Homeownership Objectives

- Homeownership opportunities for low- to moderate-income families through Habitat for Humanity and the CCHDO. HOME funds are used by the CCHDO and Habitat for homeownership development.

- Homeownership education provided by CNE to ensure that owning a home will be a successful experience for first time home purchasers experience for first time home purchasers.

Homeowner Rehabilitation Objectives

Leveraging CDBG funds, the following activities are proposed to assist in efforts to preserve affordable homeowner housing:

- CCHDO Roof Replacement Program: Roof replacement is often the most expensive improvement made to a home. CCHDO proposes to assist approximately 25 homeowners with stabilizing their homes by providing new roofs.
- ECD Home Repair Program - 200 LMI homeowners, primarily elderly and the disabled, will be assisted with home repairs.
- Habitat for Humanity Neighborhood Development Home Repair Program: Weatherization and critical repairs will be provided to 15 LMI homeowners throughout the City.

Affordable Rental Objectives

The City will use CDBG and HOME as leverage, gap financing and incentives to engage in the following initiatives:

- Payment-in-Lieu-of Taxes (PILOT)
- ECD Affordable Housing Program - This pot of HOME money is reserved for the development of affordable rental and housing for LMI individuals, families, special needs and veterans.
- Rental Property Renovation Program - Provides funds for rehabilitation of vacant, substandard rental units for affordable rental. The program will provide 10 renovated affordable rental units to the current market.

AP-60 Public Housing – 91.220(h)

Introduction

This has been a period of great transition in the affordable housing industry. HUD has urged housing authorities to convert traditional public housing properties to the Rental Assistance Demonstration Program (RAD), enabling housing authorities to assume debt on the value of the property's land and buildings, which is prohibited in the traditional public housing setting. Additionally, the Low-Income Housing Tax Credit Program administered by Tennessee Housing Development Agency has become increasingly important as public housing properties age and renovation is needed to preserve the affordable units long into the future. The following information provides an overview of the available affordable housing associated with the CHA.

Actions planned during the next year to address the needs to public housing

The CHA plans to renovate the Cromwell Hills Apartments, using 4% Low Income Housing Tax Credits, Tennessee Housing Trust Fund monies, Community Development Block Grant funds and Housing Choice Voucher Project-Based Vouchers. At the completion of the renovations the property will no longer be public housing, but rather will operate in a voucher environment. Due to these various funding sources, policies that govern eligibility, selection and admission will change. The CHA has developed a Management Plan that delineates the policies for selection of applicants and for the ongoing management of the property.

The CHA plans to renovate 111 units at scattered sites (Glenwood East and North, Woodside, and Missionary Heights) pursuant to HUD's Rental Assistance Demonstration Program (RAD), using 4% Low Income Housing Tax Credits, National Housing Trust Fund monies, City of Chattanooga funding (pending) and Project Based Rental Assistance. At the completion of the renovations the property will no longer be public housing, but rather will operate in a voucher environment. Due to the RAD regulations and various funding sources, policies that govern eligibility, selection and admission will change. The CHA is in the process of developing a Management Plan that delineates the policies for selection of applicants and for the ongoing management of the property; which will be published for a 30-day comment period separately from the Annual Plan and Five Year Plan public comment period.

CHA plans to work with the City of Chattanooga to develop a plan for the demolition/disposition of College Hill Courts in phases over the next few years. This work is expected to be accomplished in conjunction with the redevelopment of the West Side. The process will involve resident input at all stages and include a relocation plan for residents in all phases to ensure that appropriate off site housing or vouchers are available before relocation and/or demolition. CHA plans to engage

consultants to facilitate resident communication, stake holder involvement and involvement of urban planners and real estate developers at some stage to develop an over-all plan in preparation for new construction. The current plan is to submit a completed application to HUD in 2020 which will require extensive resident participation; property physical needs assessment, environmental review and appraisal.

Expand the supply of Assisted Housing

- The CHA applied for new allocations of HCVP vouchers as they became available in 2019. The CHA received an award of 40 Mainstream Vouchers and 70 Family Unification Vouchers. The CHA received notice from HUD in July 2019 that additional Veterans Affairs Supportive Housing (VASH) Vouchers are available. The CHA plans to apply for the maximum number of VASH vouchers for which it is eligible.
- The CHA will also apply for additional Mainstream Vouchers.
- Continued strong focus on LIPH vacancy reduction utilizing site staff, temporary staff and outside contracting of unit turns. We have begun efforts to conduct extra screening of residents to reduce unsuccessful tenancies. The CHA awarded 87 Project-Based Vouchers (PBV) to the Elmington Capital Group for the Chestnut Flats Development, which will consist of 199 rental units. The project has been under construction since January 2019. will be partially ready for occupancy in August 2019.
- The CHA partnered with Flats at 58, L.P., developers of an apartment complex of 64 units financed partly by 9% Low Income Housing Tax Credits. The CHA awarded 64 Project-Based Vouchers to this developer. In exchange, CHA will receive a portion of the development fee and a 3-acre portion of the current site graded for future development by CHA. In addition, CHA will have the right of first refusal to acquire the complex after 15 years and the right to manage it if the 3-acre parcel is developed sooner.
- CHA applied for, and was awarded, a grant from the Tennessee Housing Trust Fund for \$500,000 for Cromwell Hills Apartments' renovation. The development will be converted to Project-Based Vouchers. Ten units will be reserved for homeless veterans and ten units will be reserved for ex- offenders with the FUSE Program serving as the primary referral source.
- CHA also applied for, and was awarded, a grant from the National Housing Trust Fund for \$900,000 to house ten extremely-low-income families at Missionary Heights, one of the sites in the Emerald Villages Rental Assistance Demonstration

Project-Based Rental Assistance conversion.

- The Tennessee Housing Development Agency (THDA) awarded 4% Low Income Housing Tax Credits for use in the renovations of the Cromwell Hills Apartments and Emerald Villages. Plans for renovation are underway. Both projects are expected to close by year-end 2019.
- The City of Chattanooga awarded the CHA a \$200,000 Community Development Block Grant for infrastructure at Cromwell Hills Apartments.
- The CHA plans to apply to the City of Chattanooga for a \$400,000 contribution that will be used for the renovation of Emerald Villages.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Promote Self-Sufficiency and Asset Development of Families

- Upward Mobility Coach continues to implement Upward Mobility Programs at Fairmount Apartments, Greenwood Terrace, and Maple Hills. The CHA plans to expand the Program in its Cromwell Hills Apartment renovation and new development project that will result in an additional 200 families being part of self-sufficiency initiatives.
- A second Upward Mobility Coach has been hired to work with 111 families who reside at Emeralds Villages, with a focus on breaking the cycle of generational poverty.
- ROSS Grant Service Coordinators continue to provide services at the following locations: College Hill, East Lake, Emma Wheeler Homes, and Cromwell Hills. Three new part-time Coordinators were hired in 2019. These individuals are responsible for helping to connect residents to various service providers. Resident services activities are focused on helping participants keep their housing. Also available to the residents for assistance with moving toward becoming self-sufficient is the Family Self-Sufficiency (FSS) Coordinator, who works with residents of the LIPH and HCVP Programs.
- HCVP secured continued funding for an FSS Coordinator.
- CHA continues to operate the Elderly Service Coordinator's Program in-house, thereby providing a full-time staff member in each of the 4 elderly high rise buildings and a full-time staff member who services elders residing in family public

housing developments. The CHA staff members have partnered with several agencies in the community to enhance on-site services for the elderly residents.

- The CHA hosted 5 job fairs that linked prospective employers with interested LIPH residents and HCVP participants.
- The CHA hosts homeowners informational meetings and focus groups to discuss barriers and help them move past those barriers.
-

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Chattanooga Housing Authority officials were notified on 11/15/11 that the agency is no longer designated as “troubled” by the U.S. Department of Housing and Urban Development.

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

In 2017 the Chattanooga Interagency Council on Homelessness (CICH), which works closely with the CoC, was established to plan, coordinate, and accelerate the city's response to ending homelessness. CICH is a group of organizations and individuals appointed by the Mayor and it creates a platform to build continual planning and progress towards addressing homelessness by bringing together not just homeless service providers, but also organizations that work to serve homeless individuals like foundations, churches, government agencies, healthcare organizations, and, activists. The CICH is the primary body responsible for

1. Developing our community's plan to end homelessness
2. Coordinating all groups to implement the plan
3. Holding stakeholders accountable to meeting goals outlined in the plan
4. Building more accountability and transparency to the community around homelessness
5. Unifying community resources to address homelessness towards a common goal and process

In the spring of 2018, the City of Chattanooga tasked CICH with creating a community plan to reduce homelessness in the community. A comprehensive analysis on the current state of homelessness in Chattanooga was conducted to identify gaps, needs, and input into how the Chattanooga community could improve its approach to reducing homelessness. Through key informant interviews, planning sessions with key stakeholders, a public meeting and secondary data analysis, the 2018 Chattanooga Community Action Plan was developed.

1. Improve coordination among the organizations that serve people experiencing homelessness.
2. Enhance case management services.
3. Establish emergency shelter options.
4. Expanding rapid re-housing capacity.
5. Expand permanent supportive housing capacity.

To meet the plan's goals, the community embraces a Housing First model that provides people experiencing homelessness with permanent housing and case management services before addressing the other root causes of their homelessness. As part of the Housing First model, the Chattanooga community embraces permanent supportive housing (PSH) interventions for the chronically homeless. The United States Department of Housing and Urban Development (HUD) defines chronic homelessness as a person with a disabling condition who experiences continual homelessness for at least one year or four periods of homelessness within three years. PSH

program recipients usually have a diagnosed disability, including serious mental illness or disabling drug addiction. Deploying a Housing First model and investing in PSH can help people experiencing chronic homelessness and disabling conditions access and maintain housing over time.

In the past, ESG funds have been used to assist area agencies in addressing the needs of homeless residents and those facing homelessness. Through the annual application process, Chattanooga Hamilton County Health Department was selected to use 2020-2021 CDBG funds to cover direct services to citizens referred through the CES for rapid re-house and prevention. In addition, CDBG funds may be used to assist with prevention activities related to COVID-19.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In the spring of 2018, the City of Chattanooga tasked Chattanooga's Interagency Council on Homelessness (CICH) with creating a community plan to reduce homelessness in the community. In order to develop a plan that accelerates the community's progress towards reducing homelessness, a comprehensive analysis on the current state of homelessness in Chattanooga was needed to identify gaps, needs and input into how the Chattanooga community could improve its approach to reducing homelessness. Through key informant interviews, planning sessions with key stakeholders, a public meeting and secondary data analysis, the 2018 Chattanooga Community Action Plan was developed.

The 2018 Chattanooga Community Action Plan addresses strategies to combat and end homelessness in the city for people experiencing homelessness both episodically due to a housing crisis, and chronically due to mental or physical health crises or substance use disorders.

A logic model presents the CICH's action items for moving an individual or family from homelessness to permanent housing and housing stability. These action items were developed through consultation with the CICH and key stakeholders throughout the planning process. This plan attempts to provide a roadmap for the community by describing the action item considered, the recommended actions necessary to implement the action, the resources needed, potential partners, milestones and anticipated timeline, as well as what impact the action could have on the community and performance measures to guide that impact.

The Plan assumes the flow of a person's path from homelessness begins with first identifying a person experiencing homelessness, then placing the person in emergency and temporary shelter,

assisting with placement into permanent housing, and finally ensuring housing stability and homelessness prevention. The action associated with each component are provided below:

Identifying People Experiencing Homelessness

The 2018 Chattanooga Community Action Plan makes several recommendations to enhance identification of people experiencing homelessness and link them to available resources. Short-term recommendations include creating a standardized assessment and referral process, expanding outreach worker capacity, as well as creating a database of available housing units and a database of resources. Long-term recommendations include use of a mobile services van, as well as the Clean and Safe Ambassador Program through a possible Business Improvement District.

Emergency and Temporary Shelter

Emergency and temporary shelters provide the immediate need of shelter and a safe place to sleep for people experiencing homelessness as well as more quickly connecting them with housing and support services. The 2018 Chattanooga Community Action Plan recommends two actions including reestablishing a program that provided hotel vouchers for temporary shelter in the short-term, as well as establishing a 24/7 low-barrier emergency shelter in the community over the long-term. Each recommendation addresses the immediate need of shelter and safety for people experiencing homelessness. To ensure alignment with the community's Housing First approach to end homelessness, it is imperative that people experiencing homelessness who receive a hotel voucher for temporary shelter or access the emergency shelter are linked immediately to a Housing Navigator, described in the next action, for placement into permanent housing as quickly as possible.

Placement into Permanent Housing

Communities focused on a Housing First approach to end homelessness emphasize strategies that reduce the amount of time a person experiences homelessness. For people experiencing homelessness chronically, the goal is placement into permanent supportive housing that provides long-term support. For people experiencing homelessness episodically due to a housing crisis, the goal is rapid re-housing that quickly returns them to permanent stable housing.

The 2018 Chattanooga Community Action Plan recommends establishing housing navigator positions to focus specifically on placement into permanent housing, expanding intensive case management and service coordination positions, establishing a flexible community fund for rental

assistance, move-in costs or utility payments, as well as increasing the available scattered site housing unit capacity for people experiencing homelessness through landlord engagement and incentives.

Housing Stability and Homelessness Prevention

Several recommendations within the 2018 Chattanooga Community Action Plan serve dual purposes in their support of the community's vision to end homelessness. This includes the Clean & Safe Ambassador program, which can serve the dual purpose of identifying people experiencing homelessness, as well as employing appropriate candidates as Ambassadors who successfully exited homelessness and continue in stable housing. The flexible community fund can also serve a dual purpose to help place people experiencing homelessness into permanent housing, as well as help people who exited homelessness who may need additional support to avert reentry into homelessness.

Several new recommendations within the 2018 Chattanooga Community Action Plan support housing stability and homelessness prevention. For people experiencing homelessness chronically, the Plan recommends increasing supportive housing capacity by aligning organizations for funding opportunities. To support rapid re-housing efforts and homelessness prevention, the Plan recommends exploring further incentives for developers to build affordable housing units and increasing specialized job fairs to link people exiting homelessness with employers

Addressing the emergency shelter and transitional housing needs of homeless persons

To end homelessness in Chattanooga, the community must embrace a plan that moves people experiencing homelessness into housing and provides support to keep people housed. The community needs creative solutions to the challenges of obtaining housing for people experiencing homelessness and maintaining housing for those at-risk of becoming homeless. The community understands that services and resources must shift from managing the discomforts associated with homelessness to ending homelessness through permanent housing.

Emergency and temporary shelters provide the immediate need of shelter and a safe place to sleep for people experiencing homelessness as well as more quickly connecting them with housing and support services. The 2018 Chattanooga Community Action Plan recommends two actions including reestablishing a program that provided hotel vouchers for temporary shelter in the short-term, as well as establishing a 24/7 low-barrier emergency shelter in the community over the long-term. Each recommendation addresses the immediate need of shelter and safety for people experiencing homelessness. To ensure alignment with the community's Housing First approach to end homelessness, it is imperative that people experiencing homelessness who receive a hotel voucher for temporary shelter or access the emergency shelter are linked immediately to a Housing Navigator, described in the next action, for placement into permanent housing as quickly as possible.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

People experiencing homelessness face many barriers in their efforts to move into housing. Criminal history, prior criminal convictions, lack of a consistent income, and past debt from utility companies and public housing authorities can make their journey into housing next to impossible. Even with rental assistance, supportive services, and available affordable units, the history and circumstances of people experiencing homelessness causes many landlords to refuse renting to them.

Through the following, the city can build upon recommendations in the Chattanooga Interagency Council on Homelessness' plan to change local policies and create programs that will considerably lower these barriers and decrease homelessness overall.

Re-entry Assistance

- Build upon the success of felon-friendly job fairs with felon-friendly housing fairs
- Hire a housing navigator with a specialty in expunging criminal charges.

Mitigation for Inconsistent Income

- Create an association of landlords who rent to people experiencing homelessness to advocate, coordinate, and communicate to homelessness stakeholders and serve as a point of contact for assistance access.
- Consider a landlord mitigation fund to cover unpaid rent or damages up to a certain period of time.
- Consider an umbrella liability policy that covers landlords who rent to people experiencing homelessness.
- Partner with the Office of Workforce Development to connect people exiting homelessness with workforce resources and jobs.
- Draft lease addendums outlining provisions of supportive services and job support that a client will receive once housed.

Debt Management

- Create a "homeless preference" program with local utilities for people experiencing homelessness or offer community service hours as a way to pay off debt.
- Implement a flexible housing fund that would help with utility debt, rent deposits, and temporary rent assistance.
- Advocate to change Chattanooga Housing Authority policy for debt management and legal fees.

Placement into Permanent Housing

Communities focused on a Housing First approach to end homelessness emphasize strategies that reduce the amount of time a person experiences homelessness. For people experiencing homelessness chronically, the goal is placement into permanent supportive housing that provides long-term support. For people experiencing homelessness episodically due to a housing crisis, the goal is rapid re-housing that quickly returns them to permanent stable housing.

The 2018 Chattanooga Community Action Plan recommends establishing housing navigator positions to focus specifically on placement into permanent housing, expanding intensive case management and service coordination positions, establishing a flexible community fund for rental assistance, move-in costs or utility payments, as well as increasing the available scattered site housing unit capacity for people experiencing homelessness through landlord engagement and incentives.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Housing Stability and Homelessness Prevention

As part of the Housing First model, the Chattanooga community also embraces rapid re-housing interventions that connect people experiencing homelessness with permanent housing as quickly as possible through a personalized assistance package that may include time-limited financial aid or targeted supportive services. An emphasis on rapid re-housing reduces the amount of time an individual or family experiences homelessness. Rapid re-housing program recipients tend to experience homelessness due to an episodic financial or medical crisis that resulted in the loss of housing. Most program recipients require short-term assistance so the individual or family can return to permanent, stable housing.

Several recommendations within the 2018 Chattanooga Community Action Plan serve dual purposes in their support of the community's vision to end homelessness. This includes the Clean & Safe Ambassador program, which can serve the dual purpose of identifying people experiencing homelessness, as well as employing appropriate candidates as Ambassadors who successfully exited homelessness and continue in stable housing. The flexible community fund can also serve a dual purpose to help place people experiencing homelessness into permanent housing, as well as help people who exited homelessness who may need additional support to avert reentry into homelessness.

Several new recommendations within the 2018 Chattanooga Community Action Plan support housing stability and homelessness prevention. For people experiencing homelessness chronically, the Plan recommends increasing supportive housing capacity by aligning organizations for funding opportunities. To support rapid re-housing efforts and homelessness prevention, the Plan recommends exploring further incentives for developers to build affordable housing units and increasing specialized job fairs to link people exiting homelessness with employers.

The plan provides support for tenant-based rental assistance programs in an effort to prevent evictions and the homelessness that would ensue and the preservation and production of affordable housing. Ensuring that residents are occupying and/or have access to housing that is

decent, safe, and affordable is one of the primary components to obtaining and maintaining stability.

As part of the Housing First model, the Chattanooga community embraces permanent supportive housing interventions for the chronically homeless. The United States Department of Housing and Urban Development (HUD) defines chronic homelessness as a person with a disabling condition who experiences continual homelessness for at least one year or four periods of homelessness within three years. Permanent supportive housing program recipients usually have a diagnosed disability, including serious mental illness or disabling drug addiction. Deploying a Housing First model and investing in permanent supportive housing can help people experiencing chronic homelessness who suffer from serious mental illness and substance use disorders access and maintain housing over time.

The City also provides funding for organizations that offer emergency shelters through the Emergency Solutions Grant program.

DRAFT

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The development of affordable housing in the Chattanooga community is impacted by the limited amount of federal, state, and local dollars to purchase the land and build affordable housing units. Each year, the amount of CDBG and HOME funds have decreased. The non-profit housing developers do not have the financial resources to construct housing without other incentives that would allow these entities to profit from the creation of such units in order to reinvest more dollars into the construction or renovation of units.

Chattanooga seeks to improve communities by increasing the availability of affordable housing in neighborhoods throughout the City. This effort involves builders, realtors, developers, housing agencies and citizens in the creation of a variety of housing opportunities. This approach has proven to make for better neighborhoods and serves as a means of removal of barriers to the creation of affordable housing alternatives.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Over the next year, in excess of \$975,000 in CDBG funds will be used in preserving and stabilizing the inventory of affordable housing through minor to major renovations. These programs include:

- \$250,000 CCHDO Roofing Repair
- \$250,000 Chattanooga Neighborhood Enterprise
- \$600,306 ECD Housing and Community Development Program
- \$75,000 Habitat for Neighborhood Development Home Repair Program

\$1,204,413 in HOME funds, will be used to fund affordable housing for rental and homeownership. These programs include:

- \$1,077,328 ECD Rental and Homeowner Housing Program
- \$127,085 ECD Mandatory CHDO set aside

The City continues to hold addressing housing affordable needs in Chattanooga as a very high priority and continues to, identify innovative ideas/programs to address those needs and create action plans to make a real impact for citizens. Efforts include:

1. Mayor Berke implemented a Housing Trust Fund and funded it with \$1 million.
2. The City implemented Form-Based code in a small area of downtown as a pilot to monitor its effectiveness before implementing it city-wide.
3. The City is trying out a new program for duplexes on Milne Street as a pilot project before implementing city-wide. This program will allow duplexes to be up-zoned again if, 1) they are owner occupied, and 2) the other unit is rented as an affordable unit.
4. The Office of Multicultural Affairs succeeded in increasing the number of minority and women-owned businesses that were utilized by City Procurement, and conduct monthly meetings to reach out to minority and women-owned businesses to educate them about the requirements for working with City Procurement.
5. As of January 2018, smoking at any of the Chattanooga Housing Authority's sites is prohibited, thus making public housing healthier.
6. The City continues to improve its efforts in Fair Housing, including establishing and meeting goals in compliance and education, etc. To educate the public on Fair Housing the City will continue to host, sponsor and attend Fair Housing community events.

Discussion:

The Housing Connections report was drawn up as a result of two half-day conferences in 2019 bringing together stakeholders from all across the housing industry to develop action items to drive housing in Chattanooga. Participants in the Housing Connections Conference were split up into teams to address different challenges to housing in Chattanooga.

Recommendations included:

1. Adjust incentives
2. Re-entry assistance
3. Mitigation for inconsistent income
4. Identify dedicated funding source
5. Create new residential zoning
6. Improve access to information and education
7. Increase outreach and marketing
8. Discourage affordable housing bias
9. Repair and renovate existing housing stock

Public and stakeholder input came in various forms, including qualitative and quantitative surveys, anecdotal conversations, public meetings, and focus groups conducted over the past couple of years. As Chattanooga and Hamilton County are in the midst of several plans and strategies being written, information was pulled from the public input of these various planning sessions, in addition to the City's own public meetings and input sessions. This input amounted to over 500 surveys from citizens, Section 8/Public Housing residents, realtors, landlords, and the faith-based community. Countless meetings supplied information from the public and stakeholders, including Area 3 Planning meetings, CARTA Redesign meetings, and Community Development meetings. In addition, input came from the City's Fair Housing Conference, where 125 people were in attendance, and discussions with several of the City's housing partners and advocacy groups, including, LaPaz, Southeast Tennessee Development District, and the Chattanooga Homeless Services Program.

As a result of all the data and input, the following impediments were identified:

Impediment 1: Minorities are more likely to be economically disadvantaged and live in areas where they have less access to economic opportunities.

Impediment 2: Minority children and children with English language barriers live in areas that limit access to a quality education.

Impediment 3: Low income persons with disabilities, minorities, and people with English language barriers have disproportionately fewer housing choices.

Impediment 4: Neighborhoods with a high concentration of minorities and poverty are not neighborhoods of choice, with higher rates of blight and crime, and less access to jobs, public transportation, and neighborhood services.

Impediment 5: Fair Housing education and advocacy are not widespread.

Additionally, the team notes a lack of consensus among partners on different definitions of 'affordable housing,' the limited capacity of affordable housing developers, and the extremely limited federal subsidies the City has to deploy

AP-85 Other Actions – 91.220(k)

Introduction:

The City currently provides a variety of services to residents of Chattanooga, - some funded by CDBG, and HOME, coupled with private, State, and City funding - bringing additional assets to bare on these problems. This section concerns other actions to address: obstacles to meeting underserved needs; fostering and maintaining affordable housing; lead based paint hazards; reducing the number of poverty level families; the development of institutional structure; and the enhancement of coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

Funding is the major obstacle in providing the services needed to focus on the vast variety of issues that prevent families from breaking out of poverty and from living in the best, most affordable housing possible. Consolidated Plan goals cannot be achieved with CD funding alone. The City encourages conversations and collaboration between agencies in an effort to meet community needs. The funds will continue to be leveraged with local resources and programs, such as the following, to address underserved needs.

- The Mayor's Council for Women and the Mayor's Council for Youth were created and tasked with making policy recommendations about issues affecting women and youth respectively, within Chattanooga and across the region.
- Supported through general fund dollars, the City created a Homeless Coordinator position to coordinate and focus community efforts on ending homelessness for veterans and others. This includes the City regularly receiving donations for household items that are provided to recently housed homeless veterans to assist in their transition to being housed by providing them with household essentials that are needed to make a stable home.
- The City of Chattanooga's budget includes funding for the Chattanooga Alliance for Diverse Business Enterprise, a multi-agency effort focused on supporting the development, growth, and success of minority, women, and veteran-owned businesses. The alliance model offers an innovative and sustainable approach to DBE development as it brings together a broad base of community partners who are leveraging resources and offering business development services at every stage of the entrepreneurial pipeline.
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Actions planned to foster and maintain affordable housing

Addressing the need for affordable housing is a major priority in this city. Additional resources are being sought and new tools explored to increase funding and eliminate the barriers. Over 75 percent of available CDBG and HOME anticipated funding (minus admin and debt service) is targeted directly for housing.

CDBG and HOME are expected to only cover a small percentage of the cost to address affordable housing needs. The City is addressing the leverage gap and other challenges through partnering with developers using LIHTC funding, making incentives available to developers to encourage investments in affordable housing, using a Land Bank Authority to assemble property in a strategic manner for development, and eliminating any counter-productive codes. The 2020-2021 home repair programs, partnering with developers to create affordable rental housing for LMI families and special needs populations, with emphasis on veterans housing are some of the efforts designed to assist in addressing the need.

Lead Hazard Control/Reduction Grant – The City applied for and received the Lead Hazard Control/Reduction Grants totaling \$1,650,000. The funds will be used in conjunction with CDBG, HOME and other funds to further the goal to reduce/eliminate lead hazards in current housing stock. The grant will end in January 2021.

Actions planned to reduce lead-based paint hazards

The City of Chattanooga went into compliance with the Lead-Based Paint regulations in 2002. The City will continue to implement the HUD regulations for the elimination of lead-based paint hazards. The City ensures that all of the affordable housing providers/developers using federal funds comply with HUD's Lead-Safe Housing Regulations and lead hazard evaluation and reduction activities are included in all housing and improvement programs. The Community Development Office has a staff member licensed by the State of Tennessee and certified by the EPA to perform lead-based paint inspections and dust wipe clearance exams.

Lead Hazard Control/Reduction Grant – The City applied for and received the Lead Hazard Control/Reduction Grants totaling \$1,650,000. The funds will be used in conjunction with CDBG, HOME and other funds to further the goal to reduce/eliminate lead hazards in current housing stock.

Actions planned to reduce the number of poverty-level families

The City will continue its efforts in conjunction with the Homeless Coalition Continuum of Care, other service providers and the Housing Authority of Chattanooga to reduce the number of poverty-level families through the development of services needed to assist those families with educational opportunities, job growth, and life skills training through the various social service agencies operating in the city. To ensure that any wave of prosperity reaches everyone in Chattanooga, the Mayor has put forth an aggressive workforce development strategy and a number of programs aimed toward increasing economic mobility.

Actions planned to develop institutional structure

Immediately following his inauguration, Mayor Berke streamlined government with a top to bottom reorganization that eliminating three departments and saved taxpayer dollars in the process. Since the reorganization, the Berke Administration has relentlessly focused on making Chattanooga streets safer, families stronger, growing middle-class jobs, and using taxpayer dollars efficiently. The City restructured departments and services to match the priorities of the communities, ensuring that departments are more attentive than ever to the lives of the people they serve - including transportation, affordable housing, clean streets and clean water, and finding productive after-school activities for kids. The Community Development staff will continue to manage HUD Entitlement funds. The staff will attend training, as required, to maintain competency in areas of responsibility, including Title VI, Fair Housing, and EEO.

The Berke Administration also implemented Budgeting for Outcomes (BFO) citywide. Budgeting for Outcomes is an innovative, performance-based approach to allocating funds. Through a full implementation of BFO, the City has realigned dollars more closely with strategic, community priorities and reinforced a culture of performance and results.

The Chattanooga Performance Dashboard (ChattaData) serves as a platform to measure progress towards established goals, through a more streamlined government than ever before. This system provides an overview of the City's overarching policy objectives, provide data on how objectives are being met, and empowers private sector partners, public sector leaders, and all Chattanoogaans to track and help make choices that lead to safer streets, smarter students, stronger neighborhoods, a growing economy, and sounder government.

The City is strengthening its Section 3 requirements to increase the number of Section 3 businesses that are hired by the City. In partnership with the Office of Multicultural Affairs and Purchasing Department, the City plans to develop criteria for Section 3 business preferences, Section 3 training and education, and assisting local businesses with verifying and obtaining Section 3 business status to increase their chances of obtaining City contracts.

Recently, the City implemented procedures for City employees to effectively work from home during the COVID-19 crisis. This allowed for citizens to continue to be served for essential services and needs and allow for the city to continue to conduct business amid social distancing and closures.

Actions planned to enhance coordination between public and private housing and social service agencies

Collaboration and coordinating efforts are some things the City takes pride in. These efforts have allowed the City to make great strides in developing systems to better serve the citizens. The City will continue to coordinate planning activities with private housing and social service agencies, including participation in Homeless Coalition meetings and development of the Continuum of Care. City staff will also continue its participation in other coalitions and study groups as the opportunity arises.

Discussion:

The actions are primarily the continuation of what the City is currently doing in the various areas. No major obstacles in the institutional structure have been identified that need to be addressed. The City is also satisfied with its efforts to coordinate with private housing and social service agencies.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The following provides details on program specific requirements for each of the three entitlement programs, Community Development Block Grant, HOME Investment Partnership, and Emergency Solutions Grant.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	375,300
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	375,316

Other CDBG Requirements

Other CDBG Requirements

1. The amount of urgent need activities	1
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00
%	

HOME Investment Partnership Program (HOME)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME funding is a critical resource utilized in the City's efforts to address preservation and production of affordable housing. HOME funds are utilized for both the preservation and production of homeowner housing and rental housing. The City makes funding available through an open Request for Proposal (RFP) process. Three to four times during the year the City opens the process to accept applications from non-profit and for-profit entities. The City is making \$1,204,413 in HOME funds available for the production and preservation of affordable housing under the 2020-2021 Action Plan. A copy of the RFP can be found in **Attachment 2**.

The City continues to apply for resources in support of the implementation of its community development programs. In addition to HOME and CDBG funds, the City relies on other federal and state resources for leveraging. The following are other grants currently received or represent applications for funding currently under consideration:

- Lead Hazard Reduction Grant – The City applied for and was awarded the Lead Hazard Control/Reduction Grant totaling \$1,650,000. The funds will be used in conjunction with CDBG, HOME and other funds to further the goal to reduce/eliminate lead hazards in the current housing stock.
- Private, non-profit, for-profit, sub-grantee partners: Leveraging resources are strongly encouraged by entities partnering with the City in developing housing.
- Payment in Lieu of Taxes (PILOT) - Developers apply to the City for tax relief on rental projects exceeding \$5 Million and agree to lease a minimum of 50% of the units to low income households for specified number of years, based on assistance.
- Chattanooga Affordable Housing Fund - \$1 Million in General Funds have been made available to capitalize an affordable housing fund, with the expectation that the same will be done each year hereafter. The resources in the fund will be made available to subsidize the production and preservation of affordable housing.
- First Tennessee Home Improvement Grant - The City was awarded a \$70,000 grant from 1st Tennessee to support the Minor Home Repair Program through which home improvement assistance is made available to low-income, elderly and handicapped citizens.
- Low Income Housing Tax Credits - Private developers are encouraged to apply for state allocations of tax credit equity for affordable housing development and the proceeds from the syndication of tax credits will be used to leverage multifamily rental development projects.

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1. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture Option

When HOME funds are used as a direct subsidy, recapture provisions must be used. If the HOME recipient sells the property within the affordability period, the direct HOME subsidy must be recaptured. The sale of the HOME assisted property, (through direct subsidy), during the affordability period triggers repayment (recapture) of the direct HOME subsidy in full, except in instances where a forgivable loan is used to finance the HOME assistance to the homebuyer, and the HOME balance is reduced by an equal amount annually during the period of affordability, in which case, the unreduced balance must be recaptured. If the net proceeds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover the amount of the homeowner's down-payment and any capital improvement investment made by the owner since purchase, the net proceeds will be divided proportionally. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs.

A subsequent income-eligible homebuyer may be permitted to assume existing loan and affordability restrictions under the recapture provision. However, an eligible homebuyer can only assume the existing loan and affordability obligations if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in § 92.254) to the original homebuyer would be recaptured and separate HOME subsidy would be provided to the new homebuyer.

Resale Option

If the HOME assistance is only used as development subsidy, the assisted housing is designated as an affordable unit and resale requirements are applicable and must be incorporated as part of a covenant deed running with the land and in a HOME agreement with the homebuyer. A development subsidy is the difference between the cost to develop housing and the market price.

The homebuyer must retain the property as a principal residence and the housing must remain affordable to a reasonable range of low-income homebuyers though the period of

affordability. This includes households with incomes at or below 80% AMI paying no more than 30 percent of income for principle, interest, property taxes, and insurance. If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing must then be made available for subsequent purchase only to a HOME eligible buyer that qualifies as a low-income family and who will use the property as their principal residence. Due to size, additional information is available in the City of Chattanooga Resale and Recapture Policy under **Action Plan Attachment 2.**

2. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Subrecipients will be required to enforce compliance with affordability restrictions by imposing deed restrictions and covenants running with the land or other similar mechanisms. The affordability requirements for projects qualifying as affordable rental housing in accordance with 24 CFR 92.252 must be enforced by default provisions or deed of trust restrictions. When the Subrecipient provides homeownership assistance, contracts must include provision for sale or recapture as set forth in the City's Resale/Recapture guidelines. Due to size, additional information is available in the City of Chattanooga Resale and Recapture Policy under **Action Plan Attachment 2.**

3. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The written policy for refinancing existing debt is outlined in the Resale/Recapture Policy. HOME funds may be used to refinance existing debt on single-family, owner-occupied properties in connection with HOME-funded rehabilitation. The refinancing must be necessary to reduce the owner's overall housing costs and make the housing more affordable. Refinancing for the purpose of taking out equity is not permitted. HOME may also be used to refinance existing debt on multi-family projects being rehabilitated with HOME funds if refinancing is necessary to permit or continue long-term affordability. In addition, the rehabilitation must be the primary activity (e.g. the majority of HOME funds going to rehabilitation).

Currently, the City has no plans to employ the option of refinancing existing debt on single-family or multi-family projects using HOME funds. Although eligible, due to the limited amount of available funding, the City of Chattanooga will not permit HOME funds to be used to refinance existing debt on single-family, owner-occupied units nor on multi-family rental projects. Should this policy be revised in the future, the City will adopt refinancing guidelines and state them in the Consolidated Plan, as they are consistent with the HOME regulations

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)
The City of Chattanooga was not eligible for ESG funds this year, and will be applying for ESG funds through THDA to maintain the ESG funding to our homeless providers.

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