

**First Reading: January 14, 2025**  
**Second Reading: January 21, 2025**

ORDINANCE NO. 14185

AN ORDINANCE CREATING A VOLUNTARY ATTAINABLE HOUSING INCENTIVE PROGRAM AND AUTHORIZING CERTAIN INCENTIVES TO BE PROVIDED TO PROPERTY OWNERS WHO SEEK TO BUILD MULTI-UNIT ATTAINABLE AND MIXED-INCOME HOUSING IN CHATTANOOGA PURSUANT TO TENNESSEE CODE ANNOTATED, SECTION 13-3-601(a).; TO ADOPT A PROGRAM FOR MULTI-UNIT ATTAINABLE HOUSING DEVELOPMENT; AND TO AUTHORIZE THE CHATTANOOGA HAMILTON COUNTY REGIONAL PLANNING AGENCY TO GRANT CERTAIN INCENTIVES FOR VOLUNTARY DEVELOPMENT OF MULTI-UNIT ATTAINABLE HOUSING AS SET FORTH HEREIN.

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**WHEREAS**, pursuant to Tennessee Code Annotated, Section 13-3-601(a), the chief legislative body of a municipality may create a Voluntary Attainable Housing Incentive Program by ordinance for the purpose of authorizing certain incentives to be provided to property owners who seek to build multi-unit attainable housing; and,

**WHEREAS**, the number of housing unit renters in Chattanooga who are cost burdened is growing, with a forty-seven (47%) percent increase in median housing rents since 2020, and the demand for rental housing in Chattanooga is expected to more than double in the next twenty-five (25) years; and

**WHEREAS**, a recent amendment to Tennessee law now provides that Cities may adopt voluntary attainable housing incentives that may provide for greater numbers of units and make development more efficient and predictable as a proven way to increase supply of attainable

housing and bring more mixed-income developments into strong and emerging markets; and

**WHEREAS**, the Mayor and City Council desire to incentivize the creation of attainable and mixed income housing in Chattanooga to meet the growing demands for attainable multi-unit rental housing within the City; and

**WHEREAS**, the City Council desires to comply with Tenn. Code Annotated, Section 13-3-602 and adopt an ordinance creating a Voluntary Attainable Housing Incentive Program which contains a definition of attainable housing, the types of multi-unit housing facilities, buildings, and structures, eligible for the program, the geographic areas of the City where multi-unit facilities may be constructed and rented; any special exceptions or conditional units that apply to such projects; any other municipal incentives available to property owners who are approved for participation in the program by the Regional Planning Agency; and the process that a property owner must follow to provide notice of interest for this voluntary program, including the convening of a pre-application conference, and the process for submitting a completed application to the Regional Planning Agency and the Office of Housing and Community Development as set forth in Tennessee Code Annotated, Section 13-3-603 to qualify for zoning incentives and other municipal incentives;

**SECTION 1.** BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

1. That we do hereby find that the development of attainable and mixed income multi-unit housing is in the best interest of the City of Chattanooga, and that granting certain incentives to developers voluntarily providing attainable multi-unit housing is in furtherance of the City of Chattanooga's housing goals; and

2. Having made such findings, we do hereby delegate the authority to develop an incentive program to the Office of Economic Development's Office Housing and Community Investments Division; and


3. We do hereby delegate the authority to the Hamilton County Regional Planning Agency to grant zoning incentives in accordance with program guidelines codified by a forthcoming text change to the Chattanooga City Code, Chapter 38, Zoning Ordinance in the form attached as Proposed Voluntary Incentive Program Guidelines which contains a definition of attainable housing, the types of multi-unit housing facilities, buildings, and structures, eligible for the program, the geographic areas of the City where multi-unit facilities may be constructed and rented; any special exceptions or conditional units that apply to such projects; any other municipal incentives available to property owners who are approved for participation in the program by the Regional Planning Agency; and the process that a property owner must follow to provide notice of interest for this voluntary program, including the convening of a pre-application conference, and the process for submitting a completed application to the Regional Planning Agency and the Office of Housing and Community Development as set forth in Tennessee Code Annotated, Section 13-3-603 to qualify for zoning incentives and other municipal incentives.

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two (2) weeks from and after its passage.

Passed on second and final reading: January 21, 2025

  
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CHAIRPERSON

APPROVED:  DISAPPROVED:

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MAYOR

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