

**First Reading: July 15, 2025**  
**Second Reading: July 22, 2025**

ORDINANCE NO. 14256

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE,  
PART II, CHAPTER 38, ZONING ORDINANCE, TO ADD THE  
VOLUNTARY INCENTIVES PROGRAM.

**WHEREAS**, the City of Chattanooga adopted a new Voluntary Attainable Housing Incentives Program, Ordinance No. 14185, on January 21, 2025; and

**WHEREAS**, that ordinance directed a text amendment to the City of Chattanooga Zoning Ordinance; and

**WHEREAS**, the amendment has been drafted to comply with the adopted Proposed Voluntary Incentives Program Guidelines.

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Chapter 38, Zoning Ordinance be amended as follows:

**Add New ARTICLE XIX. – VOLUNTARY INCENTIVES PROGRAM and renumber ARTICLE XIX. – ENFORCEMENT to ARTICLE XV. – ENFORCEMENT and renumber accordingly**

**ARTICLE XIX. VOLUNTARY INCENTIVES PROGRAM**

**Sec. 38-100. Intent.**

Ordinance No. 14185 created a Voluntary Attainable Housing Incentive Program (VIP) for the purpose of authorizing certain incentives to be provided to property owners who seek to build multi-unit attainable housing pursuant to Tenn. Code Ann. § 13-3-603.

The VIP waives certain zoning and land use requirements for multi-unit developments in exchange for providing rental housing attainable to low- and moderate-income households. This voluntary program is designed to increase the overall number of attainable rental units created in Chattanooga by allowing more efficient permitting and flexible, by-right land use and zoning entitlements for qualifying developments.

The City shall not compel any property owner to participate in the program.

All projects constructed under the Voluntary Incentives Program shall be deed restricted to ensure that the attainable housing continues for a period of 30 years.

**Sec. 38-101. Applicability.**

The incentives will apply to any development of five (5) or more attached or semi-attached residential units in any zone permitting development of five (5) or more residential units.

The incentives provided through this program are available to any developer that volunteers to comply with program requirements and provide a certain amount of attainable housing for a period of 30 years.

**Sec. 38-102. VIP Definitions.**

For the purposes of Article X. Voluntary Incentives Program, the following definitions shall be used:

- (a) **Attainable Multi-Unit Housing.** Housing accommodations that are designed principally for residential use and consist of not less than 5 rental units on one site, provided that such units may not be detached, as required by Tennessee State Code, Section 13-3-601.

Attainable housing is defined as income restricted housing providing rents not to exceed one third gross monthly income for a household earning 80% Area Median Income or less. Attainable rents will be determined according to the annually updated Department of Housing and Urban Development income and rent limits for the Chattanooga-Hamilton County Metro Statistical Area.

- (b) **Area Median Income (AMI).** The Department of Housing and Urban Development (HUD) develops income limits based on Median Family Income estimates at the Metro Statistical Area (MSA) level. The Chattanooga, TN-GA MSA contains the following areas: Catoosa County, GA; Dade County, GA; Walker County, GA; Hamilton County, TN; Marion County, TN; and Sequatchie County, TN.
- (c) **Income restricted housing.** Housing units with rents or sales prices set according to a certain AMI level to achieve a certain "level of affordability." Tenants of income-restricted rental units will periodically be required to provide proof of income to demonstrate they qualify for income-restricted housing.
- (d) **Program requirement period.** Qualifying developments must remain in compliance with the program requirements for a period of 30 years, following the issuance of a certificate of occupancy.
- (e) **Qualifying Development.** Any development of 5 or more attached or semi-attached residential units in Chattanooga City limits within a zone permitting development of 5 or more residential units that have been certified through the process outlined in Sec. 38-108 Certification Process.

**Sec. 38-103. Qualifying Development Types.**

- (a) Type 1 – Attainable Multi-Unit Housing - Medium. Any development with 5-9 attached or semi-attached residential units. This may include townhouse developments with 5 or more units.
- (b) Type 2 – Attainable Multi-Unit Housing - Large. Any development with 10 or more attached or semi-attached residential units.
- (c) Type 3 – Attainable High Opportunity Development. Any development with 10 or more attached or semi-attached residential units that is located within 500 feet of a CARTA transit stop, AND located within an “A, B, C, or D” market in the most recent Chattanooga Market Value Analysis as designated by the City of Chattanooga Office of Housing and Community Development.

**Sec. 38-104. Program Requirements.**

To participate in the Voluntary Incentives Program for Attainable Housing, applicants will ensure that they comply with one of the following types of attainable housing criteria and maintain required attainable housing units for a period of 30 years.

- (a) Type 1 – Attainable Multi-Unit - Medium (5-9 Units)

One (1) or more units must be affordable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.

- (b) Type 2 – Attainable Multi-Unit Housing - Large (10+ Units)

At least ten percent (10%) of all units included on the site must be attainable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.

- (c) Type 3 – Attainable High Opportunity Development (10+ Units)

At least ten percent (10%) of all units included on the site must be attainable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.

**Sec. 38-105. General Requirements.**

- (a) If the number of units required in this section includes less than a whole unit, the unit number is rounded up to the nearest whole unit.
- (b) Qualifying developments must remain in compliance with the program requirements for a period of 30 years, following the issuance of a certificate of occupancy.
- (c) Tenants residing in attainable units shall be provided equal access to parking and other onsite amenities consistent with what is provided to other tenants.
- (d) Income-restricted units shall be comparable to market rate units in quality, size, configuration, and location.
- (e) Property owners shall comply with all applicable fair housing laws.
  - (1) Prior to receiving a certificate of occupancy, applicants must provide documentation of having completed a Fair Housing Training with a nationally certified training organization.
- (f) Program participants must verify rents and incomes through a third-party, such as a project management company, affordable housing consultant, or HUD contractor on an annual basis for the first 15 years of the program. See Sec. 38-111 Annual Review and Fees for further information.

#### **Sec. 38-106. Incentives.**

Applicants that have been determined to meet program requirements outlined above through the process outlined in Section 38-104 shall be eligible for the following incentives.

- (a) Type 1 Attainable Housing Incentives: Developments that comply with the Type 1 VIP requirements above will be eligible for all of the following incentives:
  - a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless less parking is required by the base use or zone
  - b. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district
- (b) District Type 2 Attainable Housing Incentives: Developments that comply with the Type 2 VIP requirements above will be eligible for the following incentives:

- a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless parking is required by the base use or zone
  - b. Waiver of Interior Parking Lot Landscape Requirements (Section 38-63.C - Parking Lot Landscape)
  - c. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district
- (c) Type 3 Attainable Housing Incentives: Developments that comply with the Type 3 VIP requirements above will be eligible for the following incentives, including the addition of a height bonus.
- a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless less parking is required by the base use or zone
  - b. Waiver of Interior Parking Lot Landscape Requirements (Section 38-63.C - Parking Lot Landscape)
  - c. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district
  - d. Thirty percent (30%) increase of maximum height permitted for base zoning district

**Sec. 38-107. Parking Minimum Standards.**

- (a) Applicants shall provide a parking plan as part of their application.
- (b) Applicants shall provide the required number of ADA compliant parking spaces, per Section 38-52.d Accessible Spaces Required.

- (c) Applicants must provide at least .5 parking spaces for every non-ADA housing unit.
  - a. This standard shall not apply to permanent supportive housing developments.
  - b. This standard shall not apply if less parking is required by the base use or zone.
- (d) Applicants may utilize one of the following flexible parking options in the zoning code to meet the minimum requirement of .5 non-ADA parking spaces
  - a. On Street Spaces, per Article 12, Section 3.C, AND/OR
  - b. Off-site Parking, per Article 12, Section 3.E, AND/OR
  - c. Collective and Shared Parking per Article 12, Section 3.F
- (e) In the Urban Overlay Zone and Form Based Code areas, applicants may also receive one vehicle parking space credit for every two long-term bike parking spaces provided on-site for up to 25% of total required minimum parking. Long-term bicycle parking must be located in an enclosed area providing protection from weather and must be accessible to intended users.

**Sec. 38-108. Certification Process.**

Per Tennessee State Code, Tenn. Code Ann. § 13-3-603 Applicants are required to provide written notice of interest for consideration under the program to the Office of Housing and Community Investment (HCI) within the Office of Economic Development and to the Regional Planning Agency (RPA). The City shall not compel any property owner to participate in the program.

- (a) Upon receipt of a potential applicant's written notice of interest by the planning commission staff, a pre-application conference shall be held between the HCI and the Regional Planning Agency and the potential applicant before a complete application for housing incentives is filed. The purpose of the pre-application conference is to determine whether a potential project satisfies all of the requirements set out in the ordinance created under § 13-4-402 and program requirements within this section of the Zoning Code.
- (b) Upon the conclusion of the pre-application conference, the Regional Planning Agency either:
  - a. Determine the proposed project satisfies the requirements to receive housing incentives as set out in the ordinance established under § 13-4-402, and thereafter prepare a conference summary document that shall include at a minimum
    - i. the parameters of the project, including the timeframe for completing the project,
    - ii. the incentives being offered,
    - iii. a finding that the potential project conforms to the ordinance and state law, and

- iv. a recommendation to the planning commission; or
  - b. Determine that the proposed project does not conform to the ordinance and state law or that the property owner is no longer interested in participation in the Voluntary Incentives Program. When the proposed project is determined to not meet the requirements of the ordinance, the property owner may either request another meeting within 60 days of the pre-application conference or move forward with the proposed project without the requested incentives.
  - c. Any finding referenced in Sec. 38-108(b)(a) by the Regional Planning Agency is not binding and does not create any vested property rights for the property owner.
- (c) Upon receipt of the pre-application conference summary document, the potential applicant may submit a complete application and applicable fee to the Chattanooga-Hamilton County Regional Planning Commission for participation in the Voluntary Incentives Program.
- a. Such an application shall include a copy of the pre-application conference summary document and an attestation that the applicant is willingly participating in a voluntary program and will construct and complete the project in a manner outlined and reviewed in the pre-application conference.
  - b. The applicant must submit a completed application to the planning commission within one hundred twenty (120) days of receiving the pre-application conference summary document for the completed application to be considered.
  - c. VIP applications before the Regional Planning Commission are not subject to the requirements of Sec. 38-72 Notice. VIP applications shall be individually listed as part of the Regional Planning Commission legal notice.
- (d) The Planning Commission shall make the final decision on whether to approve the completed application at the next available public meeting after the completed application is submitted.
- a. For the purposes of this Article, “next available public meeting”, is the one following the submittal of a completed application, payment of fee(s), and availability to add to a Planning Commission agenda and advertise as such.
  - b. Planning Commission shall review the completed application to determine if it is compliant with the parameters of the pre-application conference summary document. If the completed application is determined to be within the parameters of the pre-application conference summary document, the completed application shall not be denied based on any provisions set out in the document.

c. Planning Commission may deny the application based upon any legal issue subsequently identified during the review of the completed application.

i. An applicant may correct the legal issue and be placed on a future agenda.

**Sec. 38-109. Deed Restrictions.**

(e) All multi-family facilities, buildings and structures constructed under the Voluntary Incentives Program shall be deed restricted to ensure that the attainable housing continues for a period of 30 years

(1) Deed restrictions shall be reviewed by Office of Housing and Community Development and approved for recording by that office prior to recording of the deed by the applicant.

**Sec. 38-110. Appeals.**

(a) Any reduction in landscaping, parking, height or lot size received through the VIP and approved by the Chattanooga-Hamilton County Regional Planning Commission is not subject to additional reduction in the applicable standard from the Board of Zoning Appeals.

(b) The action of the Regional Planning Commission shall be final, provided an appeal from the action of the Commission may be taken to Hamilton County Chancery Court by any aggrieved, affected party.

**Sec. 38-111. Annual Review and Fees.**

(a) All qualifying developments shall be deed restricted to ensure that the attainable housing requirements are maintained for a period of 30 years, in accordance with Tenn. Code Ann. § 13-3-603(f).

(b) Housing and Community Investment (HCI) staff will monitor rents and incomes on an annual basis for the first 15 years of the program. After 15 years of operation, HCI will request rent and income verification periodically at a frequency of not less than every 5 years.

(c) Program participants must submit rent and income verification for all units contributing to eligibility for this program. The Housing and Community Investment (HCI) division shall handle ongoing monitoring and compliance for affordability requirements for this program, and communications regarding compliance documentation will be provided by HCI.

(1) In accordance with the City of Chattanooga's Program Compliance Policies and Guidelines, documents verifying incomes and rents for attainable units must be provided through a third party, such as a project management company, affordable housing consultant, or HUD contractor.

- (d) Properties found to be out of compliance with committed attainable rents and unit counts will be subject to a penalty fee of \$5,000 per non-compliant unit per year of noncompliance, which shall be collected and placed in the Chattanooga Affordable Housing Fund.

**Amend Article XII. Off-Street Parking & Loading, Sec. 38-52 General Requirements by adding a new subsection (f):**

- (f) Voluntary Incentives Program

Developments participating in the Voluntary Incentives Program are subject to the parking reductions as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-107 Parking Minimum Standards.

**Amend Article XIII. Landscape, Sec. 38-61 Landscape Plan by adding a new subsection (e):**

- (e) Voluntary Incentives Program

Developments participating in the Voluntary Incentives Program are subject to the landscaping reductions as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Article IV. Residential Zones by adding a new subsection (a):**

Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Sec. 38-20. - Mixed-Use and Commercial Zones Dimensional Standards by**

Deleting Table 38-20.1: Mixed-Use and Commercial Zones Dimensional Standards establishes the dimensional standards for the mixed-use and commercial zones. These regulations apply to all uses within each zone unless a different standard is listed for a specific use.

And replacing with Table 38-20.1: Mixed-Use and Commercial Zones Dimensional Standards establishes the dimensional standards for the mixed-use and commercial zones. These regulations apply to all uses within each zone unless a different standard is listed for a specific use. Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Article VII. Industrial Zones, Sec. 38-25. Industrial Zones Dimensional Standards by adding a new subsection (c):**

- (c) Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

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

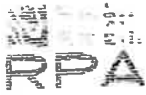
Passed on second and final reading: July 22, 2025

  
CHAIRPERSON

APPROVED: ☒ DISAPPROVED: ☐

  
MAYOR

/mem



**A RESOLUTION TO AMEND CHATTANOOGA CITY CODE, PART II,  
CHAPTER 38, THE CHATTANOOGA ZONING ORDINANCE  
TO ADD THE VOLUNTARY INCENTIVES PROGRAM**

Whereas, the City of Chattanooga adopted a new Voluntary Attainable Housing Incentives Program, Ordinance No. 14185, on January 21, 2025.

Whereas, that ordinance directed a text amendment to the City of Chattanooga Zoning Ordinance; and

Whereas, the amendment has been drafted to comply with the adopted Proposed Voluntary Incentives Program Guidelines;

**NOW, THEREFORE IT BE RESOLVED**, that the Chattanooga-Hamilton County Regional Planning Commission on June 9, does hereby recommend to the Chattanooga City Council that the City of Chattanooga Zoning Ordinance be amended as follows:

**Add New ARTICLE XIX. -- VOLUNTARY INCENTIVES PROGRAM and renumber ARTICLE XIX. -- ENFORCEMENT to ARTICLE XV. -- ENFORCEMENT and renumber accordingly**

Article XIX. Voluntary Incentives Program

Sec. 39-100. Intent

Ordinance No. 14185 created a Voluntary Attainable Housing Incentive Program (VIP) for the purpose of authorizing certain incentives to be provided to property owners who seek to build multi-unit attainable housing pursuant to Tenn. Code Ann. § 13-3-603.

The VIP waives certain zoning and land use requirements for multi-unit developments in exchange for providing rental housing attainable to low- and moderate-income households. This voluntary program is designed to increase the overall number of attainable rental units created in Chattanooga by allowing more efficient permitting and flexible, by-right land use and zoning entitlements for qualifying developments.

The City shall not compel any property owner to participate in the program.

All projects constructed under the Voluntary Incentives Program shall be deed restricted to ensure that the attainable housing continues for a period of 30 years.

Sec. 38-101. Applicability

The incentives will apply to any development of five (5) or more attached or semi-attached residential units in any zone permitting development of five (5) or more residential units.

The incentives provided through this program are available to any developer that volunteers to comply with program requirements and provide a certain amount of attainable housing for a period of 30 years.

#### Sec. 38-102. VIP Definitions

For the purposes of Article X. Voluntary Incentives Program, the following definitions shall be used:

- (a) **Attainable Multi-Unit Housing.** Housing accommodations that are designed principally for residential use and consist of not less than 5 rental units on one site, provided that such units may not be detached, as required by Tennessee State Code, Section 13-3-601.

Attainable housing is defined as income restricted housing providing rents not to exceed one third gross monthly income for a household earning 80% Area Median Income or less. Attainable rents will be determined according to the annually updated Department of Housing and Urban Development income and rent limits for the Chattanooga-Hamilton County Metro Statistical Area.

- (b) **Area Median Income (AMI).** The Department of Housing and Urban Development (HUD) develops income limits based on Median Family Income estimates at the Metro Statistical Area (MSA) level. The Chattanooga, TN-GA MSA contains the following areas: Catoosa County, GA; Dade County, GA; Walker County, GA; Hamilton County, TN; Marion County, TN; and Sequatchie County, TN.
- (c) **Income restricted housing.** Housing units with rents or sales prices set according to a certain AMI level to achieve a certain "level of affordability." Tenants of income-restricted rental units will periodically be required to provide proof of income to demonstrate they qualify for income-restricted housing.
- (d) **Program requirement period.** Qualifying developments must remain in compliance with the program requirements for a period of 30 years, following the issuance of a certificate of occupancy.
- (e) **Qualifying Development.** Any development of 5 or more attached or semi-attached residential units in Chattanooga City limits within a zone permitting development of 5 or more residential units that has been certified through the process outlined in Sec. 38-108 Certification Process.

#### Sec. 38-103 Qualifying Development Types

- (a) **Type 1 – Attainable Multi-Unit Housing - Medium.** Any development with 5-9 attached or semi-attached residential units. This may include townhouse developments with 5 or more units.
- (b) **Type 2 – Attainable Multi-Unit Housing - Large.** Any development with 10 or more attached or semi-attached residential units.
- (c) **Type 3 – Attainable High Opportunity Development.** Any development with 10 or more attached or semi-attached residential units that is located within 500 feet of a CARTA transit stop, AND located within an "A, B, C, or D" market in the most recent

Chattanooga Market Value Analysis as designated by the City of Chattanooga Office of Housing and Community Development.

Sec. 38-104 Program Requirements

To participate in the Voluntary Incentives Program for Attainable Housing, applicants will ensure that they comply with one of the following types of attainable housing criteria and maintain required attainable housing units for a period of 30 years.

- (a) Type 1 – Attainable Multi-Unit - Medium (5-9 Units)  
One (1) or more units must be affordable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.
- (b) Type 2 – Attainable Multi-Unit Housing - Large (10+ Units)  
At least ten percent (10%) of all units included on the site must be attainable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.
- (c) Type 3 – Attainable High Opportunity Development (10+ Units)  
At least ten percent (10%) of all units included on the site must be attainable to households with incomes at or below eighty percent (80%) AMI, according to the most recently available HUD Income Limits. These terms shall be recorded on the deed for the development.

Sec. 38-105 General Requirements

- (a) If the number of units required in this section includes less than a whole unit, the unit number is rounded up to the nearest whole unit.
- (b) Qualifying developments must remain in compliance with the program requirements for a period of 30 years, following the issuance of a certificate of occupancy.
- (c) Tenants residing in attainable units shall be provided equal access to parking and other onsite amenities consistent with what is provided to other tenants.
- (d) Income-restricted units shall be comparable to market rate units in quality, size, configuration, and location.
- (e) Property owners shall comply with all applicable fair housing laws.
  - (1) Prior to receiving a certificate of occupancy, applicants must provide documentation of having completed a Fair Housing Training with a nationally certified training organization.
- (f) Program participants must verify rents and incomes through a third-party, such as a project management company, affordable housing consultant, or HUD contractor on an annual basis for the first 15 years of the program. See Sec. 38-111 Annual Review and Fees for further information.

Sec. 38-106 Incentives

Applicants that have been determined to meet program requirements outlined above through the process outlined in Section 38-104 shall be eligible for the following incentives.

- (a) Type 1 Attainable Housing Incentives: Developments that comply with the Type 1 VIP requirements above will be eligible for all of the following incentives:
  - a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless less parking is required by the base use or zone
  - b. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district
- (b) District Type 2 Attainable Housing Incentives: Developments that comply with the Type 2 VIP requirements above will be eligible for the following incentives:
  - a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless less parking is required by the base use or zone
  - b. Waiver of Interior Parking Lot Landscape Requirements (Section 38-63.C - Parking Lot Landscape)
  - c. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district
- (c) Type 3 Attainable Housing Incentives: Developments that comply with the Type 3 VIP requirements above will be eligible for the following incentives, including the addition of a height bonus.
  - a. Waiver of off-street Vehicle Parking requirements in Table 12-1: Off-Street Vehicle and Bicycle Parking Requirements and waiver of Off-street Vehicle Parking in the Form Based Code, Sec. 38-741. Vehicle Parking
    - i. These waivers shall only apply to non-ADA, residential parking requirements
    - ii. Qualifying developments must provide at least .5 parking spaces for every non-ADA housing unit unless less parking is required by the base use or zone
  - b. Waiver of Interior Parking Lot Landscape Requirements (Section 38-63.C - Parking Lot Landscape)
  - c. Thirty percent (30%) decrease of minimum lot area standards required for base zoning district

- d. Thirty percent (30%) increase of maximum height permitted for base zoning district

#### Sec. 38-107 Parking Minimum Standards

- (a) Applicants shall provide a parking plan as part of their application.
- (b) Applicants shall provide the required number of ADA compliant parking spaces, per **Section 38-52.d Accessible Spaces Required.**
- (c) Applicants must provide at least .5 parking spaces for every non-ADA housing unit.
  - a. This standard shall not apply to permanent supportive housing developments.
  - b. This standard shall not apply if less parking is required by the base use or zone.
- (d) Applicants may utilize one of the following flexible parking options in the zoning code to meet the minimum requirement of .5 non-ADA parking spaces
  - a. On Street Spaces, per Article 12, Section 3.C, AND/OR
  - b. Off-site Parking, per Article 12, Section 3.E, AND/OR
  - c. Collective and Shared Parking per Article 12, Section 3.F
- (e) In the Urban Overlay Zone and Form Based Code areas, applicants may also receive one vehicle parking space credit for every two long-term bike parking spaces provided on-site for up to 25% of total required minimum parking. Long-term bicycle parking must be located in an enclosed area providing protection from weather and must be accessible to intended users.

#### Sec. 38-108 Certification Process

Per Tennessee State Code, Tenn. Code Ann. § 13-3-603 Applicants are required to provide written notice of interest for consideration under the program to the Office of Housing and Community Investment (HCI) within the Office of Economic Development and to the Regional Planning Agency (RPA). The City shall not compel any property owner to participate in the program.

- (a) Upon receipt of a potential applicant's written notice of interest by the planning commission staff, a pre-application conference shall be held between the HCI and the Regional Planning Agency and the potential applicant before a complete application for housing incentives is filed. The purpose of the pre-application conference is to determine whether a potential project satisfies all of the requirements set out in the ordinance created under § 13-4-402 and program requirements within this section of the Zoning Code.
- (b) Upon the conclusion of the pre-application conference, the Regional Planning Agency either:
  - a. Determine the proposed project satisfies the requirements to receive housing incentives as set out in the ordinance established under § 13-4-402, and thereafter prepare a conference summary document that shall include at a minimum
    - i. the parameters of the project, including the timeframe for completing the project,
    - ii. the incentives being offered,
    - iii. a finding that the potential project conforms to the ordinance and state law, and
    - iv. a recommendation to the planning commission; or

- b. Determine that the proposed project does not conform to the ordinance and state law or that the property owner is no longer interested in participation in the Voluntary Incentives Program. When the proposed project is determined to not meet the requirements of the ordinance, the property owner may either request another meeting within 60 days of the pre-application conference or move forward with the proposed project without the requested incentives.
  - c. Any finding referenced in Sec. 38-108(b)(a) by the Regional Planning Agency is not binding and does not create any vested property rights for the property owner.
- (c) Upon receipt of the pre-application conference summary document, the potential applicant may submit a complete application and applicable fee to the Chattanooga-Hamilton County Regional Planning Commission for participation in the Voluntary Incentives Program.
- a. Such an application shall include a copy of the pre-application conference summary document and an attestation that the applicant is willingly participating in a voluntary program and will construct and complete the project in a manner outlined and reviewed in the pre-application conference.
  - b. The applicant must submit a completed application to the planning commission within one hundred twenty (120) days of receiving the pre-application conference summary document for the completed application to be considered.
  - c. VIP applications before the Regional Planning Commission are not subject to the requirements of Sec. 38-72 Notice. VIP applications shall be individually listed as part of the Regional Planning Commission legal notice.
- (d) The Planning Commission shall make the final decision on whether to approve the completed application at the next available public meeting after the completed application is submitted.
- a. For the purposes of this Article, "next available public meeting", is the one following the submittal of a completed application, payment of fee(s), and availability to add to a Planning Commission agenda and advertise as such.
  - b. Planning Commission shall review the completed application to determine if it is compliant with the parameters of the pre-application conference summary document. If the completed application is determined to be within the parameters of the pre-application conference summary document, the completed application shall not be denied based on any provisions set out in the document.
  - c. Planning Commission may deny the application based upon any legal issue subsequently identified during the review of the completed application.
    - i. An applicant may correct the legal issue and be placed on a future agenda.

#### Sec. 38-109 Deed Restrictions

- (e) All multi-family facilities, buildings and structures constructed under the Voluntary Incentives Program shall be deed restricted to ensure that the attainable housing continues for a period of 30 years
  - (1) Deed restrictions shall be reviewed by Office of Housing and Community Development and approved for recording by that office prior to recording of the deed by the applicant.

#### Sec. 38-110 Appeals

- (a) Any reduction in landscaping, parking, height or lot size received through the VIP and approved by the Chattanooga-Hamilton County Regional Planning Commission is not subject to additional reduction in the applicable standard from the Board of Zoning Appeals.
- (b) The action of the Regional Planning Commission shall be final, provided an appeal from the action of the Commission may be taken to Hamilton County Chancery Court by any aggrieved, affected party.

**Sec. 38-111 Annual Review and Fees**

- (a) All qualifying developments shall be deed restricted to ensure that the attainable housing requirements are maintained for a period of 30 years, in accordance with Tenn. Code Ann. § 13-3-603(f).
- (b) Housing and Community Investment (HCI) staff will monitor rents and incomes on an annual basis for the first 15 years of the program. After 15 years of operation, HCI will request rent and income verification periodically at a frequency of not less than every 5 years.
- (c) Program participants must submit rent and income verification for all units contributing to eligibility for this program. The Housing and Community Investment (HCI) division shall handle ongoing monitoring and compliance for affordability requirements for this program, and communications regarding compliance documentation will be provided by HCI.
  - (1) In accordance with the City of Chattanooga's Program Compliance Policies and Guidelines, documents verifying incomes and rents for attainable units must be provided through a third party, such as a project management company, affordable housing consultant, or HUD contractor.
- (d) Properties found to be out of compliance with committed attainable rents and unit counts will be subject to a penalty fee of \$5,000 per non-compliant unit per year of noncompliance, which shall be collected and placed in the Chattanooga Affordable Housing Fund.

**Amend Article XII. Off-Street Parking & Loading, Sec. 38-52 General Requirements by adding a new subsection (f):**

**(f) Voluntary Incentives Program**

Developments participating in the Voluntary Incentives Program are subject to the parking reductions as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-107 Parking Minimum Standards.

**Amend Article XIII. Landscape, Sec. 38-61 Landscape Plan by adding a new subsection (e):**

**(e) Voluntary Incentives Program**

Developments participating in the Voluntary Incentives Program are subject to the landscaping reductions as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Article IV. Residential Zones by adding a new subsection (a):**

Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Sec. 38-20. - Mixed-Use and Commercial Zones Dimensional Standards by**

Deleting Table 38-20.1: Mixed-Use and Commercial Zones Dimensional Standards establishes the dimensional standards for the mixed-use and commercial zones. These regulations apply to all uses within each zone unless a different standard is listed for a specific use.

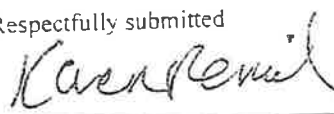
And replacing with Table 38-20.1: Mixed-Use and Commercial Zones Dimensional Standards establishes the dimensional standards for the mixed-use and commercial zones. These regulations apply to all uses within each zone unless a different standard is listed for a specific use. Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

**Amend Article VII. Industrial Zones, Sec. 38-25. Industrial Zones Dimensional Standards by adding a new subsection (c):**

(c) Developments participating in the Voluntary Incentives Program are subject to the lot area standard reductions and maximum height increases as detailed in Article XIX. Voluntary Incentives Program, Sec. 38-106 Incentives.

Respectfully submitted

Respectfully submitted

  
\_\_\_\_\_  
for Dan Reuter, Secretary  
Executive Director

Date of Adoption: June 9, 2025  
Voluntary Incentives Program

## NOTICE

WHEREAS, petition to amend Ordinance No. 6958, known as the Zoning Ordinance, has been proposed to the City Council of the City of Chattanooga:

1) The Chattanooga-Hamilton County Regional Planning Commission has recommended that the following petitions to rezone be approved:

2025-0087 Marilyn Jones c/o Edifice Buildings, LLC. 4410 Jersey Pike, from RN-1-6 Residential Neighborhood Zone to TRN-3 Transitional Residential Neighborhood Zone.

2025-0088 Mikhail Livarchuk. 2105 Randolph Street, from I-H Heavy Industrial Zone to TRN-3 Transitional Residential Neighborhood Zone.

2025-0090 Mark Richmond. 1614 East 17<sup>th</sup> Street, from RN-2 Residential Neighborhood Zone to TRN-2 Transitional Residential Neighborhood Zone, subject to certain conditions.

2025-0091 Courtney Watson c/o Chestnut Development. Part of a property located at 1010 Dallas Road, from I-L Light Industrial Zone to C-C Commercial Corridor Zone.

2) The Chattanooga-Hamilton County Regional Planning Commission has recommended that the following condition be lifted from Ordinance No. 13803 of previous Case No. 2022-0051 for the following Applicant:

2025-0093 Stone Creek Consulting c/o Allen Jones. 1220 Lester Lane, lift Condition No. 1 of Ordinance No. 13803 of previous Case No. 2022-0051, subject to certain conditions.

3) The Chattanooga-Hamilton County Regional Planning Commission has recommended that the Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, as adopted by Ordinance No. 14137 on July 23, 2024, to clarify fenestration in the Form-Based Code, amend corner setbacks in the RN-1-5 and RN-1-3 zones, amends parking standards for medical offices, and updates the minimum river setback.

4) The Chattanooga-Hamilton County Regional Planning Commission has recommended that the Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, be amended to add a new Article XIX, Voluntary Incentives Program and renumber Article XIX, Enforcement to Article XV, Enforcement, and renumber accordingly.

The City Council of the City of Chattanooga, Tennessee will hold a public hearing in the City Council Assembly Room, John P. Franklin Sr. Council Building located at 1000 Lindsay Street, Chattanooga, TN 37402, on

July 8, 2025,

at 6:00 p.m. for the purpose of hearing any person whose property may be affected by, or who may otherwise be interested in, said amendments.

This the \_\_\_\_ day of \_\_\_\_\_, 2025.

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Nicole Gwyn  
Clerk to the City Council