

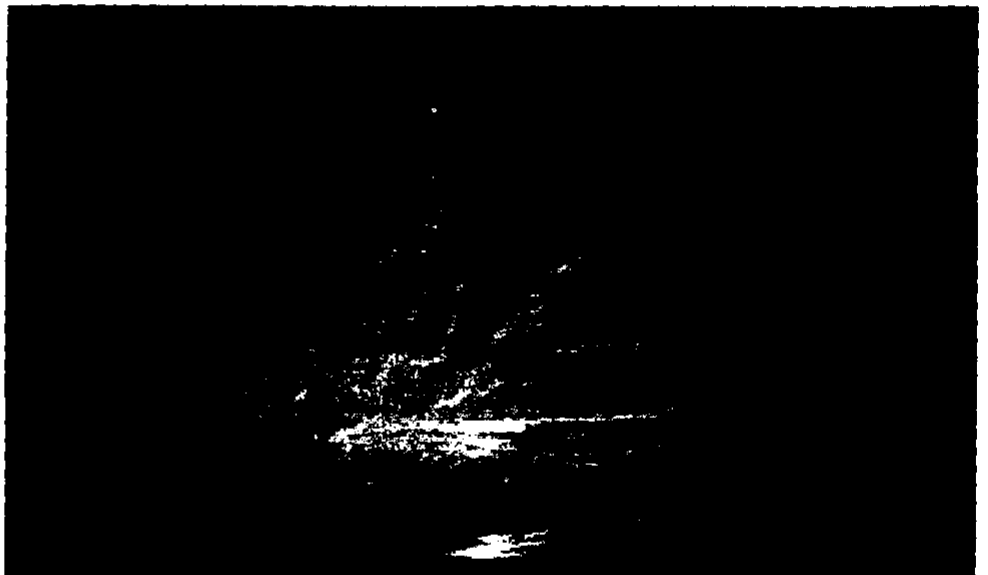
RESOLUTION NO. 24416

A RESOLUTION ADOPTING THE CITY OF CHATTANOOGA'S CONSOLIDATED PLAN FOR 2005-2010, A COPY OF WHICH IS ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That there be and is hereby adopted the City of Chattanooga's Consolidated Plan for 2005-2010, a copy of which is attached hereto and made a part hereof by reference.

ADOPTED: May 3, 2005.

Community Development Block Grants



Mission Statement:

It is the mission of the **City of Chattanooga's Office of Community Development** to have a significant and positive impact on our City by identifying, developing and supporting quality affordable housing, healthy community environments and expand economic opportunities for low and moderate income citizens.

In carrying out this mission, we seek to:

- Support a neighborhood-based comprehensive approach
- Serve as a catalyst for additional activity
- Be proactive rather than reactive
- Promote coordination among other key players in economic and community development
- Encourage leveraging of other private and public funds for projects
- Promote the most effective use of available resources
- Limit the duplication of existing services

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2005 Consolidated Plan Executive Summary

In January 1995, the U.S. Department of Housing and Urban Development (HUD) required cities such as Chattanooga to develop a five-year Consolidated Plan in order to continue to receive entitlement funds. These funds include Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and Home Investment Partnerships (HOME) funds.

This document is the Consolidated Plan for the next five-year period (2005-2010). It builds on the City of Chattanooga's success in accomplishing the objectives set out in the 2000 Consolidated Plan. The 2005 Consolidated Plan will become effective July 1, 2005 pending approval by the Chattanooga City Council, local citizens and the U.S. Department of Housing and Urban Development.

Citizen participation in setting goals and objectives was instrumental in developing the 2005 Consolidated Plan. The key areas of focus for the expenditure of the funds are: housing, homelessness, impediments to fair housing, infrastructure, public facilities and economic development and planning. Based on a shared vision of the needs of low- to moderate-income people, the 2005 Consolidated Plan describes housing and community development goals and programs for Chattanooga. It contains:

- A housing and homeless needs assessment;
- A housing-market analysis, which lists inventories of housing and homeless facilities and services;
- A five year strategic plan, which lists housing, non-housing and public services objectives and activities;
- A one-year Action Plan, which describes the use of the City's fiscal year 2005 Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and the HOME Investment Partnerships Act (HOME) funds.

Housing: Highlights of Needs Assessment and Market Analysis

Housing Market Overview:

- The City of Chattanooga has a denser residential development pattern than the county as a whole. 2000 Census figures indicate that there are 72,108 housing units in the city of Chattanooga, which represents 53.6% of the total housing units in the County situated on less than a quarter of the land area.
- Just over 54% of the occupied housing units in Chattanooga are homeowners versus 72% in the county. The rental occupied housing in the City is 45.1%.

The housing units in the City are older. Over on half of the housing units in the City were built before 1970 versus just under half (46.2%) in the County outside the City.

- There is a definite tightening of the rental market, resulting in housing shortages and increased cost burdened conditions for very low-, low-income and special needs households. Units are available for rental and homeownership but may be substandard or out of the range of affordable to some low-to-moderate income citizens
- Census data indicates approximately 27,844 (17.9%) of local households live below the poverty level. In comparison, Hamilton County's poverty rate is about 8.9% and 13.5% for the Nation.
- Quality of life issues are inextricably linked to housing issues.

Housing Needs:

- The 2005 Median Family Income (MFI) for Chattanooga is \$52,250. Of the households below 80% MFI in the City:
 - Households with incomes 0-30% of MFI have greater housing needs than any other income group. An estimated 17% of all MFI households in the City are in this category.
 - Households with incomes 31-50% of MFI are also struggling to meet their housing needs. An estimated 11% of all MFI households in the City are in this category.
 - Households with incomes 51-80% of MFI have significantly fewer housing related problems. An estimated 19% of all MFI households in the City are in this category.
 - Housing needs are also great for special populations, who may require housing with supportive services. There are estimated to be 9,459 of these MFI households in the City, with incomes ranging from 0-80% MFI.
 - The waiting list for Section 8 Housing Choice Vouchers as of 3/30/05 is 1,600, compared with 1,702 in the 2000 Consolidated Plan. CHA provides rental subsidies for approximately 3,012 families under Section 8, Housing Choice Program. By December 2007 CHA plans to apply for an additional 600.
- The occupancy rate for the 2790 public housing units, as of March 2005, was 98%.
- CHA has implemented a Section 8 voucher homeownership program at ten per year. The Spencer McCallie Hope VI site will contain 125 new housing units for affordable homeownership.

- The demand for assistance to homebuyers from Chattanooga Neighborhood Enterprise, Habitat and other non-profit housing organizations remains constant for households earning $\leq 80\%$ MFI.
- The demand for low-income owner occupied rehabilitation is expected to grow as the population ages. A majority of the customers served in and expected to be served by CNE's Home Improvement Program are low-income elderly.
- There is a need for both rental housing and homeownership opportunities for people with physical disabilities who require special modifications to housing. The same is true for the mentally ill.
- The "Blueprint to End Chronic Homelessness in the Chattanooga Region in the Next Ten Years" indicates permanent housing, in contrast to transitional housing for the homeless, is the top priority with an objective to create 1,400 affordable units by 2014, through the provision of rent subsidies, new housing developments and the preservation of existing affordable housing stock.

Housing Market Analysis/Inventory:

- Since 2001, there has been a decline in the number of available public housing units due to the demolition of some 578 units. By Summer, 2005 a total of 857 units will be lost.
- By 2007 CHA will have added 125 single family houses for homeownership and 275 rental units at the Spencer McCallie site.
- CHA anticipates replacement of other units through applications to HUD for additional HOPE VI projects.
- CHA manages nine developments and eight scattered sites with a total of 3,108 units. The organization also has 3,102 Section 8 clients.
- CNE own/manages approximately 800 affordable rental units with an average occupancy rate of 85%. Many of the units are in need of some repair.
- Since its inception, CNE has assisted 6,008 families with home purchase and home improvement loans. Approximately 62% of the households are headed by ethnic minorities.
- Since 2001, Aim Center purchased properties the currently house 29 tenants, Hosanna House completed a HUD 811 project that provides housing for physically disabled individuals.
- Current inventory or under construction of Permanent Supportive Housing is 217 beds.

Homelessness: Highlights of Needs Assessment and Market Analysis

Homeless Overview:

- The Homeless Coalition's 1999 Continuum of Care Plan lists population estimates for 16 counties in three states in the Chattanooga region as 797,224 with 30,675 estimated as homeless (defined as homeless for at least one day during the year - living on the street, in a shelter, in a car, in danger of eviction, in transitional housing, or with family or friends).
- Over 37% of the homeless population (11,587) is estimated to be located in Hamilton County -more specifically, in Chattanooga.
- The Homeless Coalition estimates the number of homeless individuals in Chattanooga at any given point in time is approximately 800 - 1,000.
- The trend is an increase in homelessness because of current market conditions and several legislative changes occurring at the federal and state levels that will have a direct effect on the homeless.
- Homelessness is no longer a priority for placement in Chattanooga's public housing.
- Because there is a wide range of services available to the homeless population in Chattanooga and services are nearly non-existent in rural areas, this community undoubtedly shelters the homeless of the surrounding counties. *In most of these rural areas, the local homeless program consists of a bus ticket to Chattanooga.*

Homeless Needs:

- According to the 2004 Continuum of Care Plan, Chattanooga's location in the Southeast Tennessee region has led to an influx of homeless people (including Hispanic immigrants, presenting unique cultural and linguistic challenges). Chattanooga is the largest city in the region, which covers 16 counties in three states. These include Bledsoe, Bradley, Franklin, Grundy, Marion, McMinn, Meigs, Polk, Rhea, Sequatchie, and Hamilton Counties in Southeast Tennessee; Catoosa, Dade, and Walker Counties in Northwest Georgia; and Dekalb and Jackson Counties in Northeast Alabama.
- The Homeless Coalition estimates the number of homeless individuals in Chattanooga at any given point in time is approximately 800 - 1,000.
- In 2003, 3077 different homeless individuals received services from nonprofit, faith-based, and government agencies and organization, reporting on the Service Point Homeless Management Information System (HMIS) database.

- On February 2, 2005, the Homeless Coalition coordinated the one-day census survey of homeless individuals. There were 353 counted as displaced persons.
- Over one-third of the homeless are children. The average age is 5.3 years.
- The Blueprint has been emphasis on permanent housing for chronically homeless individuals, instead of transitional housing. This will decrease the tight supply of existing housing and require new housing developments to meet the demand.
- Congress continues to move funding into block grants. As a result, targeted funding for various homeless needs (substance abuse, health, transitional housing, training, etc.) may diminish.
- The Chattanooga Homeless Coalition has listed in its 2004 Continuum of Care Plan the top priority the establishment of a centralized case management system.
- The Blueprint does not recommend at this time an expansion of emergency shelters and transitional housing capacity, except for some specialized populations, such as youth.
- In the "Blueprint to End Chronic Homelessness in the Chattanooga Region in Ten Years" specific principals are outlined to end homelessness by 2012. They are:
 1. Assure access to affordable housing with appropriate supportive services;
 2. Track and analyze data concerning homeless across different systems as a basis for program/service evaluation, agency and public policy, and funding decisions;
 3. Identify the major reasons for homelessness and design "systems of intervention" to eliminate homelessness;
 4. Develop strategy to centralize and integrate outreach, intake, and case management;
 5. Review policies and operating procedures of all programs to ensure a focus on moving homeless individuals and families to employment and permanent housing;
 6. Ensures linkage to Transitional/Permanent housing in all discharge plans;
 7. Ensures service linkage to mainstream resources in all case planning;
 8. Ensures access to affordable housing with appropriate supportive services as a number one priority'
 9. Review discharge/termination policies of those agencies whose clients become homeless after exiting the system;

10. Develop intervention strategies for those neighborhoods with high rates of homeless and/or at-risk households to prevent the occurrence of homelessness;
11. Clearly and decisively target resources to programs that either prevent homelessness or ensure the return of homeless individuals and families to permanent housing and self-sufficiency; and,
12. Evaluate and redefine the roles of existing agencies in impacting and eliminating homelessness.

Five-Year Housing and Community Development Objectives

HOUSING-RELATED OBJECTIVES

Affordable Rental Housing

1. Increase the stock of safe, affordable, decent rental units by 450 units, particularly in low- and moderate-income areas.
2. Increase accessibility to affordable rental housing for very low and low income citizens through the provision of subsidies.
3. Increase the capacity of community-based organizations to develop affordable rental housing projects.
4. Provide systematic inspection of rental housing and enforcement of local codes to insure that rental units are safe and decent.

Homeowner Rehabilitation

1. Rehabilitate 500 substandard low-income owner-occupied homes with low- to no- interest loans.
2. Weatherize and render more energy efficient 500 units serving low-income families.

Affordable Homeownership

1. Help 600 first time Low/Moderate Income (LMI) home purchasers with affordable mortgage financing and assistance with closing and down payment costs.
2. Facilitate in maintaining local private lender financing for LMI mortgages.
3. Expand homeowner education programs to reach 1,000 people over the next five years.

Public and Assisted Housing

Affordable housing needs in the community identified by CHA include:

- An increasing need for an expanded supply of one-, two- and three bedroom, non-elderly affordable units, both in public and private housing.
- Reconfigured public housing and expanded private housing units are needed to accommodate families and individuals with disabilities.
- A de-concentration of replacement housing for planned demolition activities.
- Leverage private or other public funds to create additional housing.
- Improve vacant unit turn-around time, initiate a preventive maintenance program and continue decentralization efforts.
- Enhanced rental and ownership rehab programs targeted to neighborhood revitalization areas.

- Provide homeownership opportunities for a minimum of 150 families through the Housing Choice Voucher Program, a HOPE VI homeownership program and through the sale of single-family homes under a lease-to-purchase program and stepping stone housing.

- Improve the housing mix and building configuration of public housing developments by reconfiguring selected developments through the demolition of non-viable units and replacement with scattered site developments.

- Enhance the image of the housing developments with the addition of streetscaping, signage, office enhancements and selective demolition at scattered sites.

- Increase public safety at CHA's multi-family sites and insure that City services are at a level equal to or better than surrounding neighborhoods.

- Expand opportunities for residents to become more self-sufficient and assure that at least 100 residents are given opportunities for training and employment with the CHA and its contractors.

- Increase housing choices in the private rental market for LMI families in neighborhoods throughout the City.

- Establish partnerships that result in increased quantity, quality and choices of housing and lifestyle.

NON-HOUSING-RELATED OBJECTIVES

Public Facilities and Infrastructure Improvements

1. The City, through public-private partnerships, will develop the potential for Greenways in low- and moderate-income target neighborhoods.

2. Improving the general safety of neighborhoods with improved lighting, sidewalks and other infrastructure needs.
3. Improve general safety of neighborhoods by demolishing or stabilizing approximately 25 substandard structures each year.
4. Make capital improvements to public facilities serving the public with private dollars and potential CDBG funding.
5. Assist in the development of neighborhood-based community centers by providing expertise, technical assistance and funding.
6. Assist in the planning and implementation of Greenways in low-income neighborhoods using public funds to leverage private dollars to maintain these properties.
7. Reclaim and clean up brownfields for public use as greenways and centers for public recreation use.

PUBLIC OR SOCIAL SERVICES-RELATED OBJECTIVES

Public Services

Based on priorities established in recent planning processes, the public service needs rated high in the Community Development Needs Table were youth services, employment training, substance abuse services, crime awareness and prevention, childcare centers and services and transportation services. Rated of medium need were senior services, handicapped services and health services.

Long Range Objectives (5 Year)

1. Reduce crime and the fear of crime through prevention awareness and organized neighborhood watch systems.
2. Reduce vandalism and loitering among youths.
3. Increase educational opportunities for adults to become more economically self-sufficient.
4. Provide 140 homeless households' permanent stable housing.
5. Education and job training for adults and youths.
6. Life skills training.
7. Improve and impact quality of life issues for elderly and special needs populations.
8. Increase opportunities for children to arrive at school healthy and ready to learn.

Economic Development

Based on local planning processes, major economic development objectives must focus on workforce development, reclamation of abandoned industrial sites, access to capital for small business, expansion and start-up assistance, development of adequate buildings and sites for economic development. And, coordinated technical assistance to new, existing, and prospective employers.

Importance is still given to providing well-paying jobs and access for local residents to jobs. Long range objectives are as follows:

1. Improve the quality of the local workforce.
2. Increase the availability of appropriate sites and buildings for commercial and retail development.
3. Redevelop abandoned industrial sites (brownfields) in the City.
4. Improve access to capital for the creation or expansion of small businesses.
5. Build on the City's opportunity to develop into a regional center for environmental and technology oriented businesses.
6. Increase opportunities for retention and expansion of the existing business base through Renewal Community initiative.
7. New business development and expansion.
8. Use HUD's Section 108 Loan Guarantee to:
 - Work with state and federal Environmental Protection Agency, TDEC and developers to redevelop Brownfield sites.
 - Identify projects that stimulate economic development involvement within neighborhoods and promote industrial and business recruitment and retention.
 - Develop retail and commercial centers within neighborhoods to promote entrepreneurship and growth and expansion of business.
 - Create a micro-enterprise loan fund.

Planning

Many strategic plans have been developed to address the future desires and needs of neighborhoods, nonprofit agencies and various city departments. A coordination of these plans is needed to provide an overall roadmap in the city to prevent duplication of services and to encourage efficient use of the limited resources.

During the public participation process of the Consolidated Plan, citizens expressed the need for one, comprehensive, City-wide plan that provides a coordinated direction for the overall growth of the community which would benefit all the citizens of the city.

Fair Housing

As a recipient of Community Development Block Grant, HOME Investment Partnership Act and Emergency Shelter Grant funds, the City is required to develop an affirmative fair housing plan with specific actions and strategies that will have a significant impact on preventing, reducing or eliminating housing discrimination and other barriers to equal housing choice based on race, color, religion, sex, handicap or national origin.

To address barriers to fair housing, the City conducted an impediment study in February 1996 and updated it in 2005. The study identified barriers to fair housing and recommend initiatives to overcome conditions that limit fair housing choice. The City received a Fair Housing Education and Outreach grant in 2004 to provide additional technical assistance to organizations and citizens. The goals to be achieved are:

1. Increase community knowledge of fair housing standards and issues.
2. Decrease the likelihood that barriers exist to fair housing choice in the City.
3. Education and outreach in predatory lending practices.
4. Engage the faith-based community in education and outreach to possible victims of unfair housing practices.

Lead-Based Paint

The City of Chattanooga went into compliance with the Lead Based Paint regulations in 2002. Currently all homes and structures that use Economic and Community Development funds for affordable housing activities must comply to current HUD regulations and local requirements from the Chattanooga - Hamilton County Air Pollution Control Board.

Environmental Impact Assessment

The City of Chattanooga has developed an unspecified site strategy for environmental review of housing related activities as well as for environmental review of infrastructure (street paving, sidewalk improvements, street lighting) related activities. Sites are evaluated using a site-specific review checklist. The site-specific review will be completed prior to committing federal funds.

The Consolidated Plan is available upon request from:

**Office of Community Development
104 City Hall Annex
100 E. 11th Street
Chattanooga, TN 37402**

If you have any questions please call (423)757-5133.