

Neighborhood Development and Housing

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Continuum of Effort

- Chattanooga Housing Authority
 - Serving public housing needs since 1938
- 1986 - Chattanooga Neighborhood Enterprise
 - ...to assure decent, fit, and affordable housing for all Chattanoogaans
- 1996 - Neighborhood Services
 - ...providing neighborhoods and individuals with the tools to address their most pressing needs
- 2001 - Community Impact
 - ...to assist participating neighborhood associations in improving the quality of life in their neighborhoods...
- Today - Chattanooga is renowned as the premier mid-sized city in the United States for our efforts around neighborhood development
- 2005 - Our challenge today is to continue doing what we already do well, and to do it better.

Overview of Last Four Years

- Significant neighborhood development and housing activity throughout Chattanooga
- Increased Public-Private investment in neighborhoods and in market rate and affordable housing
- Strengthening of strategic community planning, code enforcement, and housing assistance to stabilize neighborhoods
- Revitalization of low-wealth neighborhoods
- Increases in housing assistance and homeownership
- Long-range planning to address needs of homeless
- Increased coordination among key players in neighborhood revitalization

Role of the City of Chattanooga

- Direct Services and Funding
 - Housing and Neighborhood Economic Development
 - CDBG, HOME, ADDI Funding
 - Chattanooga Neighborhood Enterprise
 - Chattanooga Housing Authority
 - Community Impact of Chattanooga
 - Urban Housing
 - Neighborhood Improvements
 - Code Enforcement – Neighborhood Services and Public Works
 - Recreation Centers as Community Facilities
 - Essential Service Delivery
 - Targeted Infrastructure Investment
 - Roads
 - Sidewalks
 - Sewers
 - Public Space
- Coordination

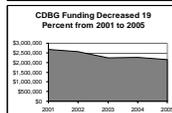
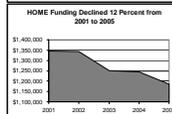
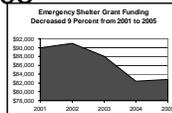
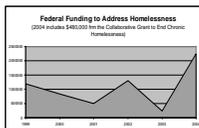
Community Development

- City Office of Community Development administers funding from the US Dept. of Housing & Urban Development for community development (CDBG), HOME, down-payment assistance (ADDI) and emergency shelter for homeless (ESG)

Year	CDBG	HOME	ADDI	ESG
2005	\$2,161,989	\$1,184,913	\$43,100	\$82,845
2004	\$2,265,000	\$1,244,452	\$75,585	\$82,413
2003	\$2,253,000	\$1,251,771	\$64,053	\$88,000
2002	\$2,571,000	\$1,343,000	N/A	\$91,000
2001	\$2,682,000	\$1,345,000	N/A	\$90,000

Federal Resources from 2001 to 2005

- CDBG funding decreased 19%
- HOME funding decreased 12%
- ESG funding decreased 9%
- Continuum of Care (Homelessness) increased 88% including the Collaborative grant in 2004



CDBG

- Allowable uses of CDBG Funds include:
 - acquisition of real property;
 - relocation and demolition;
 - rehabilitation of residential and non-residential structures;
 - construction of public facilities and improvements
 - water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
 - public services;
 - activities relating to energy conservation and renewable energy resources; and
 - economic development and job creation/retention activities.

HOME

- HOME funds a wide range of activities that
 - build, buy, and/or rehabilitate affordable housing for both rent or homeownership
 - provide direct rental assistance to low-income people
 - highly restrictive guidelines on how Home funds can be spent

Collaborative Grant to End Chronic Homelessness

- Collaboration between the City, County, Agencies serving the homeless, Veteran's Administration, Fort Wood and Moccasin Bend Mental Health Services, CNE and CHA
 - Awarded March 2004 to provide 50 Shelter-plus-Care Vouchers and wrap around services for chronically homeless individuals with mental illness and substance abuse diagnoses
 - Provides a research-based "housing-first" template for addressing the needs of the homeless and other families and individuals with chronic problems
 - \$2.4 million in federal funds over 5 years

Chattanooga Housing Authority (CHA)

- The CHA was the fourth housing authority chartered by the State of Tennessee in 1938 to provide safe and decent housing for families for whom conventional housing was not affordable
 - Provide both housing and redevelopment functions for the City and County
 - Mayor appoints the Board members and City Council ratifies the appointments
- Provides housing assistance to 6,139 low-income families or 11,750 residents of Chattanooga each year
 - Public Housing: 3,039 (13% fewer units since 2001) in 18 developments scattered throughout the City
 - Housing Choice Vouchers: 3,100 (29% more vouchers since 2001)
- Currently, there are 2,200 families on the CHA's waiting lists for housing assistance

CHA Funding

- **No direct operating funds are received from the City or County**
 - Funds come primarily from the federal government in the form of housing subsidies and grants for modernization, revitalization and resident services
 - Rents collected from residents in public housing account for 12.5% of the budget
- **\$200.6 million actually brought into Chattanooga's economy since 2000**
 - \$61.8 million paid directly to private landlords in rental assistance since 2000
- However, funding for renovations, capital projects and services to residents decreased by 33% in this same period
 - 12% reduction in operating funding from HUD for 2005

CHA Funding

Source	2001	2002	2003	2004	2005
HUD Subsidy	\$7,678,600	\$9,000,000	\$8,850,000	\$8,400,000	\$8,008,000
Capital Fund (HUD)	\$6,323,241	\$6,323,240	\$6,100,000	\$5,700,000	\$4,253,000
HCVP (HUD)	\$8,362,747	\$11,973,107	\$15,000,000	\$15,300,000	\$16,654,000
Grants (FEDERAL)	\$1,081,083	\$1,118,405	\$803,000	\$1,900,000	\$704,650
Rent	\$5,491,898	\$4,800,000	\$4,700,000	\$4,500,000	\$4,180,000
CHA Budget	\$30,126,784	\$33,814,753	\$35,882,000	\$36,140,000	\$33,799,650
HOPE VI (HUD)	\$368,423	\$2,000,000	\$10,500,000	\$10,500,000	\$5,709,000
Demolition (HUD)	\$0	\$0	\$0	\$0	\$1,125,400
CDBG (HUD)	\$0	\$0	\$600,000	\$24,000	\$0
OTHER	\$368,423	\$2,000,000	\$11,100,000	\$10,524,000	\$6,834,400

Focus on Upward Mobility

- Mission: Provide residents with safe, decent and sanitary housing while encouraging and assisting them to achieve economic independence and self-sufficiency
- Since 2002, the CHA has strengthened partnerships with the City, local agencies and its residents to help our residents move in, up and out of assisted housing
 - Educational achievements
 - Adults through GED, Choices, Chattanooga State's AHEAD, and training programs
 - Children through Attendance, Afterschool, Early Reading and Computer Training Programs
 - Vocational training and job search
 - YouthBuild
 - Coordination with Chattanooga State and Career Center
 - Self-Sufficiency and Homeownership training and support
 - Access to recreation and summer programs
 - Family Investment Programs
 - Public Safety and Policing
 - Enhanced management of properties

Alton Park HOPE VI: Villages at Alton Park

- In 2000, Chattanooga was awarded a \$35 million federal HOPE VI grant to revitalize the McCallie Homes area in Alton Park.
 - CHA received other funds from tax credits and Federal Home loan grants
 - The City contributed \$11.5 million for infrastructure
 - **Total leveraged amount = \$84 million.**
- When completed in 2006, the Villages at Alton Park will include a total of 400 units including 275 rental properties and 125 single-family homes.

Chattanooga Neighborhood Enterprise, Inc.

- Founded in 1986 with the mission:
 - **"To provide the opportunity for all Chattanooga's to have decent, fit and affordable housing."**
- Broadened the mission in 2002 to encompass neighborhood revitalization:
 - **"CNE is the City of Chattanooga's leading partner in the use of housing to build healthy, socio-economically diverse neighborhoods of choice."**
- Is a full service real estate company that operates as a public-private partnership.
- Make loans, manage rental property and develop neighborhoods.
- Helped over 10,000 customers since 1986.

CNE: Strategies

- CNE utilizes two strategies:
 - Affordable housing (all 9 City council districts)
 - Administer the City's rehab program
 - Provide first time home buyer loans
 - Provide pre-purchase education / post-purchase counseling
 - Own and/or manage affordable rental portfolios
 - Neighborhood revitalization (targeted neighborhoods: Cowart Place, MLK Tomorrow, etc.)
 - Identify neighborhoods in partnership with the City and others
 - Build capacity in partnership with Community Impact
 - Neighborhood planning
 - Finance development costs
 - Manage market rate rental portfolios

CNE: Key benefits to the City

- Home ownership rate is increased
- City's rehab program is 3rd party managed
- Tax revenue is increased
- City's 271 affordable rental units are managed
- City's \$15 million loan portfolio is serviced
- Local predatory lending market is suppressed
- Low quality rental market is suppressed
- Community assets are preserved to support neighborhood revitalization
- CNE is the only CDBG/HOME recipient to generate and return program income to the City (approximately \$1 million annually)

CNE: The City's role

- Financial support (level over past 5 years)
 - Operations: \$2 million annually from the city general fund
 - Programs: \$2.6 million annually from CDBG/HOME
- Conduct quarterly chattanoogaRESULTS to monitor performance
- Monitor annually for federal compliance

CNE: \$2M operating funds

- Annual support of operations enables CNE to access additional funds from numerous public and private sources including:
 - AmSouth Bank
 - Benwood Foundation
 - Catholic Health Initiative
 - Fannie Mae
 - Ford Foundation
 - Lyndhurst Foundation (over \$17 million since 1986)
 - Maclellan Foundation
 - Memorial Hospital
 - Neighborhood Housing Services of America
 - Neighborhood Reinvestment Corporation
 - SunTrust
 - THDA
 - UTC

CNE: \$2.6M program funds

- Funds do not support general operations.
- Funds are passed through to Chattanooga's most needy citizens in the form of loans and grants based on their ability to pay.
- Typical annual affects on low income families:
 - 50 families buy homes – most for the first time
 - 100 families bring their home up to code
 - About 50 families repair a maintenance emergency
 - Affordable housing stock will be created for 10 families
 - Quality affordable rental units will be preserved for 5 families
 - Quality of life will be improved for all participating families
 - These funds are often the only alternative to predatory lenders
 - Access to asset preservation and wealth creation is enabled
 - Enables families to participate in ongoing urban renewal

CNE: Accomplishments

- Accomplishments since inception (1986) exceed:
 - 850 rental units currently managed
 - 1,500 units developed
 - 6,000 loans to home owners/buyers
 - 10,000 customers counseled
 - \$6 million transactions through CCDFI
 - \$30 million loan portfolio serviced
 - \$500 million into the local economy
(Direct investment in community – no multiplier applied)

Neighborhood Services

- Neighborhood Services Department is:
 - Focused on maintaining neighborhoods of choice through elimination of blight, code enforcement and community engagement
 - Targeted effort on improving conditions in 19 neighborhoods in the city
 - Responsible for enforcement of housing and quality of life code requirements. Also responsible for animal care and control.

Code Enforcement

- In FY 2004, Neighborhood Services responded to 6700 requests for service, including:
 - Overgrowth
 - Abandoned Vehicles
 - Litter
- In FY 2004, Neighborhood Services performed 5773 inspections – 59% in neighborhoods that are part of the Strategic Neighborhood Initiative

Public Works

- Public Works is responsible for
 - Codes & Inspections: Enforces building codes and responds to complaints about zoning violations
 - Citywide Services: In FY 2004, Citywide Services swept over 1500 miles of streets; collected brush and trash on a regular basis; and received and responded to 1,581 complaints related to illegal dumping citywide

Parks Recreation Arts & Culture

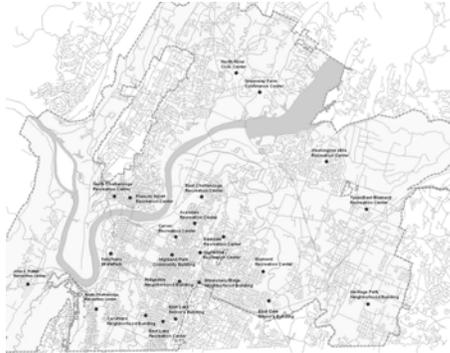
Recreation centers function as community centers throughout the City and are used to host neighborhood meetings and community functions.

- Avondale Recreation Center
- Brainerd Recreation Complex
- Carver Complex
- East Chattanooga Recreation Center
- Eastdale Recreation Center
- Eastgate Senior Recreation Center
- East Lake Recreation Center
- First Centenary Recreation Center
- Frances B. Wyatt Recreation Center
- Glenwood Recreation Center
- John A. Patten Recreation Center
- North Chattanooga Recreation Center
- North River Civic Center
- Shepherd Recreation Center
- South Chattanooga Recreation Complex
- Tyner/East Brainerd Recreation Center
- Washington Hills Recreation Center

Features at these centers include gyms, community meeting rooms, game rooms, computer labs, dance studios, arts & crafts rooms, reading centers, after school tutoring programs, and reading centers

Programming also includes health, wellness, and fitness programs; neighborhood based athletic programs; neighborhood based cultural arts programs and we are expanding our senior programs

Location of Recreation Centers



Community Impact of Chattanooga

- A comprehensive community initiative created to revitalize neighborhoods. Mission is to assist participating neighborhood associations in improving the quality of life in their neighborhoods by enhancing the physical, social, and economic conditions affecting the well being of those who live there.
- Public-private partnership with funding from City and local foundations.
- Target neighborhoods are Southside, ML King, Bushtown, Highland Park,

Land Use and Neighborhood Planning

- Zoning (administered by the Regional Planning Agency) plays a critical role in neighborhood development and preservation.
- RPA, at request of City Council, has completed 30 neighborhood specific planning documents. These Plans articulate a unifying vision, act as a policy guide for community improvements, and provide guidance for zoning decisions. They also help guide decisions by businesses and developers regarding location and type of stores, offices, factories and homes. The creation and adoption of these plans does not guarantee the funding of recommended projects.
- RPA is currently developing their Comprehensive Land Use Plan 2030

Land Use and Neighborhood Planning

- Urban Housing
 - Our Planning & Design Studio has played a critical role in creating an "urban" Downtown, including housing. Planning & Design Studio recommendations have shaped new urban housing projects at many locations in recent years including new development at River Pier Landing and Bluff View Village. The recently completed Downtown Plan emphasizes additional downtown housing as a key element in continued downtown revitalization.
- Historic Zoning
 - The Chattanooga Historical Zoning Ordinance identifies four residential neighborhoods, and one commercial area that are subject to Design Review. They include St. Elmo, Fort Wood, Fergar Place, Battery Place, and the North Shore Commercial District. The Downtown Overlay Zone is under voluntary Design Review. Missionary Ridge, Highland Park, and Glenwood have requested status as historical districts. Historic Zoning is administered by the Chattanooga Historic Zoning Commission

Urban Housing

- The development of 24 hour a day / 7 day a week Downtown concept is critical to creating market demand for additional commercial activities and services to serve urban neighborhoods
- Continued investment in urban neighborhoods (MLK, Cowart Place, Jefferson Heights) has led to tremendous private investments in new housing.
- The 21st Century Waterfront Plan has spurred a boom in Downtown ownership and rental housing - directly resulting in private sector housing investment of nearly \$100 million including River Pier Landing and Bluff View Village.

Strategic Planning

- As continuation of neighborhood revitalization efforts, Jeff Pfitzer with the City's Office of Capital Planning is coordinating City, CHA, CNE, Community Impact and Lyndhurst Foundation efforts. We are currently working together to develop the next round of neighborhood-specific strategic investments.
- As discussed in Social Services presentation, City has taken the lead in developing Blueprint to End Chronic Homelessness with emphasis on planning and providing housing for the homeless.
- Through Office of Capital Planning, the City has integrated neighborhood investments city-wide into the City's Capital Improvements Plan and Capital Budget
- As a recipient of CDBG funding, City is required to complete Consolidated Plan every five years

Rethinking Neighborhood Revitalization

We still have work to do...

- Many neighborhoods are still losing population
- Homeownership base is eroding in many neighborhoods as we see a transition to investor-ownership
- As homeownership and physical conditions decline there is less incentive for people to take action in their own neighborhood.
- There is substantial need for infrastructure maintenance and investment in urban neighborhoods
- For Chattanooga neighborhoods to succeed they must be competitive to attracting homebuyers and responsible landlords.

Policy Framework for Addressing Neighborhood Revitalization

- City-Wide Objectives
 - Attract and retain population in Chattanooga
 - Carry out a comprehensive city-wide strategy of neighborhood investment
 - Maintain and increase the supply of quality housing that is affordable to a wide range of households

Coordinated Response for Neighborhood Revitalization

- Put in place a campaign to promote and market Chattanooga neighborhoods city-wide
- Realize that different market conditions and neighborhoods require different kinds of interventions
- Clarify desired outcomes for neighborhoods where interventions are planned
- Stronger coordination of functions to achieve revitalization outcomes
 - Planning
 - Codes Enforcement and Building Inspection
 - Lending
 - Housing Development
 - Community Building Activities
- Attract private development to city neighborhoods
- Stabilize rental housing
- Provide adequate resources for neighborhood revitalization

Neighborhood Revitalization

- The City needs to continue to revitalize inner-core neighborhoods through redevelopment and public-private investment with continued emphasis on homeownership – we can accomplish this with cooperation and effort
- City-wide increases in property value, investment, and owner occupied housing; improvements in safety; and reduction of quality of life complaints are key to continued revitalization and creation of neighborhoods of choice.
- Neighborhood revitalization is critical component of overall economic health of the city. To retain and attract new jobs, must have a wide range of neighborhoods of choice where workforce wants to live.
- Our Neighborhood revitalization strategy assures that all of us are working together to do the best we can.
- For Chattanooga to truly prosper, all neighborhoods must become neighborhoods of choice.
