

**HEALTH, HUMAN SERVICES AND HOUSING
OPPORTUNITIES COMMITTEE**

December 16, 2008

5:00 P.M.

Councilwoman Robinson, Chairman, called the meeting of the Health, Human Services and Housing Opportunities to order with Councilpersons Gaines, Benson, Bennett, Berz, Gilbert, Page, Rico and Pierce present. City Attorney Randall Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Daisy Madison, Steve Leach, Dan Johnson, and Richard Beeland. Mayor Littlefield joined the meeting later.

OCHS CENTER—DAVID EICHENTHAL

Chairman Robinson called the meeting to order, stating that she had asked David Eichenthal to come; that she had attended a meeting where he had made this report, and it was a huge eye-opener and the big picture that the Council needs to be thinking about.

Mr. Eichenthal stated that he had a power point on this presentation but did not think Mr. Burns was here now.

Chairman Robinson noted that Mr. Eichenthal was with the City during the Corker years in the capacity of Head of Performance Review and had done a tremendous amount of analysis; that this was a huge resource for the City.

Mr. Eichenthal handed out his presentation (which is made a part of this minute material), stating that he would try to go through it quickly. He began by saying that the Ochs Center used to be the Community Resource Center, and this was actually Report #6 that focused on housing. He went over the process and purpose of the Report, stating that two years ago he presented the State of the City Report. He stated that this Report was very focused on Hamilton County and 36 sub-regions; that they had tried to place the same focus on regions. He had with him Dr. Robinson, who he said did most of the research.

In talking about the regional level, he first addressed where the growth is going on, noting that there were 20,000 to 21,000 new units of housing in a six county region—the bulk of 58% is in Hamilton County and 17% is in Catoosa County. He stated that there had been a real growth in housing and was faster outside of Hamilton County. Another big thing—in 2000, 18% homeowners were paying more than 30% and 37% were renters; later it was 22% homeowners and 44% of renters. He stated that it was critical to know why this is happening—the cost of rental for HUD purposes and fair market rent as seen in Chattanooga from 2000 to 2008, there was a 25% increase in renters.

Mr. Eichenthal asked “Why are we talking about housing”? A survey was done of 1000 Hamilton County residents because the focus on housing affects the quality of life; that 75% of the people called stated that affordable housing was very important to quality of life. He noted that 80% were homeowners and 20% renters and that African-Americans were 2 ½% more likely to be renters. Homeowners, he stated, were more satisfied with life and more likely to be an indication that the neighborhood was moving in the right direction. Also, the lower the income, the higher impact on affordable housing. He went on to say that in 2000-2007, 41% building permits were created in the City of Chattanooga. He went on to say that another analysis was done on sales price data and based on MLS data, there was a 24% increase in home sales prior to 2007; that it went down by 4% in 2006, and there were over 1000 foreclosures. The same sort of MLS permits was done in the County during 2000-2007. He stated that the point he was trying to make was to think about affordable housing—that in places like New York, it is the lack of housing, and the lack of housing is caused by the lack of income. He noted that as rental housing has gone up, incomes have not kept up.

He next noted that they had divided Hamilton County into 36 sub-regions with 9,000 people each; there were different types of housing, with a lot of duplexes in Highland Park and Bushtown.; that growth had been increasing in the Ooltewah-Summitt area, which made up 15% of the total. He noted that five sub-regions account for 40% of overall growth and 3% or less in Glenwood or Eastdale. He noted that housing values were up 22%; however downtown is different, where it is doubling, which is true of North Chattanooga as well.

Mr. Eichenthal stated that the other data they looked at was loan data—that in the Ooltewah-Summit area and Downtown there was the fastest growth, particularly single-family, and these areas had the highest approval rate. He mentioned the relation between sub-prime lending and other factors accounting for the low volume of housing. The same thing held true for the same sub-regions with the highest amount of foreclosures.

In the final set of data, it was noted that housing prices are going up faster than incomes, which is followed by foreclosures being up.

He stated that some of the blight-related calls are coming from the same neighborhood with overgrown property. He concluded with graphics of four subregions. One of the interesting things about the slide he was showing, which he stated was truly depressing, was that it was not prepared for this presentation—the same goes for the crime graph. In some of the larger sub-regions, the neighborhoods had seen improvements. He stated that all of this data works better with maps. He stated that what he was trying to say was to think about concentration of problems and see that they are very related. He also noted that five sub-regions account for 40% of robbery activity. He stated that housing was part of the evolving story that they were telling.

Councilwoman Robinson stated that she thought Mr. Eichenthal's slides brought everything into focus in regards to crime, housing and poverty for people.

Mr. Eichenthal agreed that it showed who are hurting and one constant is that it is in the heart of our community.

Councilman Pierce stated that it all seemed to be where he lived—that he was going to move to Councilman Benson's district.

Councilwoman Gaines stated that she understood this problem because it was where she lived; that we cleaned the Southside up, and the people who lived there moved to other areas, and they were the ones who don't have income, and it all falls into place.

Mr. Eichenthal urged to look at what happened in terms of the McCallie Homes and where the displaced went.

Councilwoman Gaines questioned if anyone had thought about spatial deconcentration.

Mr. Eichenthal responded that the numbers were not great enough to explain all of this.

Councilwoman Gaines stated that all of these places were between her house and Brainerd, which is spatial deconcentration; that the people were strategically placed.

Councilwoman Bennett mentioned that earlier Mr. Eichenthal talked about overall crime statistics, noting its impact on economic development.

Councilwoman Berz stated that she had been at Mr. Eichenthal's presentations; that they had been different from what she understood him to say—that earlier in the evening we heard that Chattanooga ranked 8th in the nation in crime and questioned the crime upsurge.

Mr. Eichenthal stated that this upsurge was the FBI Report, not at the city level.

Councilwoman Berz stated that this was really misleading, stating that Mr. Eichenthal's presentation on crime could overlay this.

Mr. Eichenthal stated that something you cannot do is the opposite of annexation; that when you divide into sub-regions and do an analysis, it tells a different story and those numbers are driving the overall crime in the City. He asked to think about the 911 calls in this area and also housing inspections; that these areas are driving the other city services and are costly to everyone; that when you put all of these factors together in one place, it is really hard, and it has been going on a long time; that you could pull out the same map that was used with Model Cities—that it is important to those who live in these areas and should be important to everyone.

Chairman Robinson stated that now we had seen all of this, and it should be a “call to arms” for us; that Mayor Littlefield had said this is our City, and we need to take control of the neighborhoods; that this should be the agenda for the City Council and the Mayor for the next four years, even if we had to send the police in with “flame throwers”. She stated that we needed to figure this out and focus our resources and get some help to the heart of the City.

Councilman Gilbert stated that people under Section 8 are not following the rules, and we need to penalize them; that we need to correct Section 8 and enforce the rules; that only single moms are supposed to be living in some units and no one else is supposed to be in the house.

Councilwoman Robinson stated that Councilman Gilbert was saying “eloquently” what she meant—enforce the laws on the books!

Councilman Gilbert stated enforce the rules where they are.

Councilman Pierce stated that he thought all of this discussion would require a bigger meeting.

Councilman Page stated that he was “looking for the pony”—that we spent millions on HOPE VI and wanted to know if the trend was good or bad. He wanted to know if Mr. Eichental saw any trend lines.

Mr. Eichental responded that the real statement of improvement is downtown home values; that every success is a new challenge and there has been an increase in value in the downtown area; however at the same time there has been a mis-matched lagging income as compared to housing, and the challenge is around the income. He stated that he would be coming back in January to talk about wage growth and to explain the growth; that these are complicated problems that have been going on a long period of time. The first of these reports was Early Childhood where we took a look at single mothers and took a look at where they were concentrated in order to see a direct relationship; that we had been successful in all of this, and it was a very real challenge. He mentioned a conversation about poverty; that in 2007 13.2% of families in Chattanooga lived in poverty, which was not good; that the good news was that in 1960, the percentage was 28.8% and 1.9% in 1970, which was an overall improvement.

Chairman Robinson stated that Mike Feeley and herself were talking about another committee meeting to discuss this and to focus on this.

Mayor Littlefield stated that he was glad Mike Feeley was here; that we had put him on retainer. He congratulated David Eichenthal on his Report, noting that the statistics were not surprising nor shocking; that it shows what we have known all along concerning the concentrated areas of poverty and the ensuing problems with low educational level. He mentioned that the crime statistics of the FBI and the local don't match, and there has been some improvement; that it was good to look at the actual details concerning who the crimes were against and the perpetrator. He stated that the sum total was that things are getting better, and we are looking for new ways to deal with crime, using our cameras as a good example. He stated that he thought it was certainly healthy to have these discussions and to plan for the next four years in new and different ways. He noted that New York has taken back their neighborhoods, and the real cure is curing the underlying causes of poverty, which is low education, noting that we are building new schools and jobs are coming to Chattanooga, but one problem we are dealing with is the large issue of lack of economic opportunities, and we need to employ people at all levels to build our way out of poverty.

The meeting was adjourned at 5:45 P.M.