

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

November 4, 2008

4:05 P.M.

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

Others present included Beverly Johnson, Daisy Madison, Dan Johnson, Juliette Thornton and Richard Beeland.

NEIGHBORHOOD STABILIZATION PROGRAM

Ms. Johnson was present to go over **Resolution (d)** on tonight's agenda that authorizes the Department of Neighborhood Services and Community Development to manage an allocation of \$2,113,757.00 from the U.S. Department of Housing and Urban Development awarded under the Neighborhood Stabilization Program and any sub-allocations from the State of Tennessee that may be awarded to the City under this same program. She explained that this has to do with a HUD Neighborhood Stabilization Program that is coming to the City—that they are graciously giving us money relative to foreclosures facing the country. She explained that this was a Grant awarded to the City to deal with foreclosures and abandoned property and was not for past due mortgages.

She presented a handout (which is made a part of this minute material) that she quickly went through. She noted that the funds are to be used for establishing land banks for foreclosed homes; redeveloping demolished or vacant properties; demolishing blighted structures; purchasing and rehabilitating homes and residential properties foreclosed upon or abandoned (when mortgage or tax foreclosure proceedings have been initiated for the property, or establishing financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties.

Ms. Johnson noted that 100% of the funds must be used to benefit those $\geq 120\%$ of area median income (\$64,100 family of four) and at least 25% of funds--\$528,432—must be used to benefit those $\geq 50\%$ area median income (\$26,700 family of four)—for the purchase of abandoned or foreclosed upon homes or residential properties that will house eligible families/individuals. She noted that this money comes with stringent regulations.

Councilman Page asked what a land bank was? Ms. Johnson explained that it is where we buy up property and hold it for redevelopment in the future.

Ms. Johnson stated that the districts they had identified with the greatest needs were a small part of District 1 and Districts 5, 6, 7, 8 and 9. There are some pre-defined areas that HUD has determined.

She added that they had just been notified today of an additional \$1.7 million dollars, which brings us up to \$3.8 million dollars. She noted that this amount was not reflected in the report that had been handed out. It boils down to \$3.8 million dollars with 10% to be used for general administrative and planning costs related to program activities. The remainder of the money will be divided up between the groups that they had to serve and the land banking.

Ms. Johnson went over the projects they were proposing, including a Land Bank; New Construction/Redevelopment; Demolition; and Financing. She noted that the time-line is quick; that they had to wait for HUD to write the regulations and training was in mid October; then there must be input for all who participate in the proposed projects. She stated that their Proposal will be finalized by November 11th and there will be a 15-day comment period; by December 1st, it is due to HUD.

She then went into more details as to how they arrived at the locations, noting the funds are to be obligated in 18 months. She stated that the clock was not ticking yet; that all funds must be expended in a four-year period.

Councilwoman Berz clarified that there is (x) amount of money, and we have to plan how to spend it. She asked when it was due and was told December 1st.

It was noted that CNE, 28th CDC, Community Impact, Chattanooga Homeless Coalition and HOPE for Inner Cities have already had input.

Councilwoman Berz wanted to know what this means?

Ms. Johnson responded that it tells where problems are. Referring to the handouts, she explained that 1-10 are where the greatest problems are. The short sheet handed out focuses on the big problems. This is backed up by census tracts and shows the abandonment and foreclosure risks. She again noted that our biggest problems are in Districts 5, 6, 7, 8 and 9 and a small part of District 1.

Councilwoman Berz stated that in her district, she saw 10. Ms. Johnson noted that 10 means high level. Councilwoman Berz asked about the census tracts. Ms. Johnson explained that census tracts are assigned by HUD. Councilwoman Berz stated that the highest risk did not say 6. Ms. Johnson stated yes “6”—that they had not prioritized what they would do first.

Ms. Johnson stated that they were trying to cover the water front to give them flexibility.

Councilman Rico noted that the money would not be distributed evenly but where it is most needed.

Councilman Page asked if most of the property was abandoned houses, not blighted, but where they can't pay the mortgage?

Ms. Johnson reiterated that the money could not be used for this purpose.

Councilman Rico asked about census tract 33? Ms. Johnson again noted that census tracts are assigned by HUD and that they had a map they looked at.

Councilwoman Berz asked if there were any priorities? Ms. Johnson referred to the five activities listed, stating that they were not in any order; that the Resolution on tonight's agenda is just to approve them to accept these dollars. Councilwoman Berz asked if Ms. Johnson would report back to the Council with their Plan. Ms. Johnson noted that the Plan would be ready on November 12th and posted.

Councilman Page asked if people came to Ms. Johnson and said that they needed help? He wanted to know how she marketed this money. Ms. Johnson responded that they put out RFP's and look at the Housing Groups to partner with the City.

Chairman Robinson asked if when the Report is ready, if it would be really thick? Ms. Johnson responded that it was a HUD Report and would be posted on line. She again noted the available 15-day comment period.

The meeting adjourned at 4:20 P.M.