

# City of Chattanooga Analysis of Impediments to Fair Housing Choice

## 2020-2024 Final Report

February 7, 2020

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City of Chattanooga  
Department of Economic and Community  
Development



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Final Report  
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This report has been prepared in conjunction with the City of Chattanooga's 2020-2024 Consolidated Plan and is a joint effort between the City of Chattanooga and Chattanooga Housing Authority.



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Attorney's Office

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Residents of Hamilton County  
Tennessee Human Rights Commission  
Tennessee Housing Development Agency  
Hamilton County Faith-Based Community

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## Executive Summary

Chattanooga is known for being one of the best places to live in America and a growing economic powerhouse. Jobs are flowing in by the thousands, housing is going up as fast as land is cleared, and exciting new educational opportunities are entering our schools. Outdoor spaces and scenic walkways are popping up all over the county. With progress like this, Chattanooga should be a picture-perfect city. However, upon closer scrutiny, thousands of jobs are coming into the county area, where public transportation is sparse. Market rate housing is flying up, while we still struggle with our stock of affordable housing to shelter our current residents, as well as those coming in with the new businesses. The educational system is dichotomous, with failing schools concentrated within the Chattanooga's city limits. Furthermore, current academic structure and attainment make our children ill-equipped to fill these new jobs. Parks and walkways are not always located within walking distance of disadvantaged communities or close to bus routes, where they are needed most. Children and families deserve an opportunity to have stable housing, move about, play, and succeed wherever they choose to live, regardless of disability, familial status, national origin, race, color, religion, or sex.

The City of Chattanooga is required to conduct an Analysis of Impediments to Fair Housing Choice, or AI, every five years as a condition of receiving federal block grants funds for housing and community development. This AI analyzes the barriers to fair housing choice, including intentional actions, and unintended consequences of public and private market forces that limit housing opportunities for individuals and families based on protected classes. According to the Fair Housing Act as amended, protected classes include disability, familial status, national origin, race, color, religion, or sex. Cities, counties and states may add additional classes for fair housing protection; Chattanooga and Tennessee have not as of the publication of this report.

According to federal law, intentional actions that violate fair housing choice are illegal, and are defined as any actions, omissions, or decisions taken because of one's membership in a protected class which restrict housing choices or the availability of housing choices. Unintended consequences, or "discriminatory effect," is defined as any actions, omissions, or decisions which *have the effect of* restricting housing choices or the availability of housing choices on the basis of one's membership in a protected class. While the effect may not be intentional, and therefore not illegal, it still results in an impediment to fair housing choice and is included in this report.

The greatest barriers to housing choice can be rolled up into a few factors: finances, housing supply, transportation, and education. While "affordable housing" is a relative term, this report will focus on barriers

protected classes generally encounter in accessing affordable housing. More specifically, many of these populations are those who put more than 40% of their income towards rent. These populations are forced to choose which bills they can pay, necessities they can go without, healthcare or groceries they can sacrifice to avoid being evicted or ending up homeless. Through this lens, we will examine and address impediments to fair housing. We will attempt to address access to opportunity through a variety of place-based and people-based actions. To achieve our choice neighborhoods, we must try to expand opportunities within existing neighborhoods. Then we can assist in developing new opportunities for families to move to areas they deem more desirable for jobs, education, and quality of life. Our goal is to make every neighborhood a choice neighborhood, eliminate disparity and discrimination in housing, and provide widespread access to opportunity abundant across Chattanooga.

Throughout this report there will be some references to Chattanooga's LMI population and R/ECAP areas. As such, it is necessary to clarify the connection between low and moderate income persons, R/ECAP areas, and disadvantaged populations of protected classes. Review of census data and other indicators, demonstrates that Chattanooga's LMI census tracts are disproportionately comprised of minority households and single mothers and correspond with HUD's R/ECAP areas. Consequently, these areas also have disproportionately less access to amenities such as higher performing schools and school choice, transportation, gainful employment, adequate, affordable housing, and choice neighborhoods. Therefore, for Chattanooga, the disadvantaged populations represent a majority of Chattanooga's low and moderate income population, and may be referred to interchangeably throughout the report.

When a comparison is made between minority populations from the 2010 census and the 2017 5-year ACS, there are clear indications of a shift in minority populations out of census tracts that have experienced major revitalization in the past ten years. One example of this is the movement of minorities out of census tracts 20 and 124, which includes the central business district, to neighboring census tracts. Market driven revitalization has caused once affordable neighborhoods, such as Highland Park and MLK, to become unaffordable to the native residents of these neighborhoods. Homes now are being bought, rehabilitated, and resold for hundreds of thousands of dollars, and new construction that is not backed by federal money, is likewise pricing at the same level. With property values going up in these areas, existing renters cannot afford to remain in their homes, longstanding homeowners will be challenged to pay increased taxes to keep their homes, and children transitioning into adulthood will not be able to remain in their communities.

Additionally, based on the analysis of data and community feedback, Chattanooga has impediments to fair housing choice among its seniors, disabled population, and growing Hispanic community.

Since the last AI was conducted, there has been some movement toward alleviating some of the barriers to housing choice:

1. Mayor Berke implemented a Housing Trust Fund and funded it with \$1 million.
2. The City implemented Form-Based code in a small area of downtown as a pilot to monitor its effectiveness before implementing it city-wide.
3. The City is trying out a new program for duplexes on Milne Street as a pilot project before implementing city-wide. This program will allow duplexes to be up-zoned again if, 1) they are owner occupied, and 2) the other unit is rented as an affordable unit.
4. The Office of Multicultural Affairs utilized fair housing testers to test the rental landscape of the city for possible housing discrimination.
5. The Office of Multicultural Affairs succeeded in increasing the number of minority and women-owned businesses that were utilized by City Procurement, and conduct monthly meetings to reach out to minority and women-owned businesses to educate them about the requirements for working with City Procurement.
6. As of January 2018, smoking at any of the Chattanooga Housing Authority's sites is prohibited, thus making public housing healthier.
7. First Tennessee, as a result of lending discrimination, had to develop a Community Benefits Plan, in which they had to spend \$3.95 billion over the next five years on community development in Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. The plan runs from 2018 through 2022. The plan will include, "mortgage and small business lending, community development lending and investments, philanthropy and spending with minority-owned suppliers and marketing firms." <sup>1</sup>

The plan includes the following priorities and targets:

1. Increasing home ownership: Fund \$515 million in home purchase and rehabilitation mortgage lending. This will translate into approximately 967 new homes owned by people of color and 533 homes owned by low- or moderate-income people.

2. Building small business: Fund \$1.9 billion in small business lending to businesses in low-to-moderate areas and businesses with less than \$1 million in annual revenue.
3. Fostering community development: Fund \$1.5 billion in community development and multi-family lending and investments.
4. Strengthening communities: Fund \$40 million in grants and philanthropy, including supporting workforce development, small business, housing counseling, Community Development Corporations (CDC), Community Development Financial Institutions (CDFI), and funding financial literacy and education programs for children, young adults and small business entrepreneurs.
5. Supporting supplier diversity: Devote 3%-6% of the bank's supplier spending to minority-owned businesses.
6. Partnering with minority-owned marketing firms: Earmark a portion of the bank's marketing budget to minority-owned firms.

## Research Methodology

Chattanooga is fortunate for having a variety of plans, and reports written about all aspects of the community, from housing, transportation, education, and economic development. For this report, we gathered the data and analyses from these plans, and reviewed and consolidated the relevant information into this plan. All of the reports used were developed within the last five years, with most within the last three years. Additional data was also gathered to fill in the gaps for this report.

Public and stakeholder input came in various forms, including qualitative and quantitative surveys, anecdotal conversations, public meetings, and focus groups conducted over the past couple of years. As Chattanooga and Hamilton County are in the midst of several plans and strategies being written, information was pulled from the public input of these various planning sessions, in addition to the City's own public meetings and input sessions. This input amounted to over 500 surveys from citizens, Section 8/Public Housing residents, realtors, landlords, and the faith-based community. Countless meetings supplied information from the public and stakeholders, including Area 3 Planning meetings, CARTA Redesign meetings, and Community Development meetings. In addition, input came from the City's Fair Housing Conference, where 125 people were in attendance, and discussions with several of the City's housing partners and advocacy groups, including, LaPaz, Southeast Tennessee Development District, and the Chattanooga Homeless Services Program.

## Summary of 2019 Impediments and Possible Strategies

After reviewing the identified issues derived from data analysis, community engagement, review of existing fair housing legal cases and complaints, and an assessment of current and future programs and policy, the following five key impediments and corresponding possible strategies were developed:

**Impediment 1:** Minorities are more likely to be economically disadvantaged and live in areas where they have less access to economic opportunities.

### Possible Strategies:

1. Coordinate economic and educational opportunities in R/ECAP areas through onsite informational fairs with outside partners. These events will incorporate information on housing, employment, and education options along with fair housing education information.
2. Establish efforts, in partnership with the Office of Multicultural Affairs, to identify Section 3 businesses and residents with skills and establish a Section 3 list for agencies that receive federal funds.
3. Explore partnerships to provide ride share programs to help people in these areas get access to these jobs.

### Partners:

Youth and Family Development  
Economic and Workforce Development  
Southeast Tennessee Development District  
Area non-profits  
Chattanooga Housing Authority  
Office of Multicultural Affairs

**Impediment 2:** Minority children and children with English language barriers live in areas that limit access to a quality education.

### Possible Strategies:

1. Partner with YFD to create safe waiting areas where parents can drop their kids off early for magnet school buses that pick up after the start of the workday.

2. Incorporate requirements for computer and internet access in all future PILOT and federally funded housing projects in these areas. Partner with schools and nonprofits to increase awareness of discounted internet access available.
3. Explore working with YFD to establish a list of college students that are willing to volunteer time to tutor students in R/ECAP areas.
4. Host magnet school fairs, in partnership with Hamilton County Department of Education, in R/ECAP census tracts and public housing sites to educate and assist families with magnet schools applications.

**Partners:**

Non-profit agencies that serve the Latino population

Youth and Family Development

Economic and Community Development

Hamilton County Department of Education

Chattanooga Housing Authority

**Impediment 3:** Low income persons with disabilities, minorities, and people with English language barriers have disproportionately fewer housing choices.

**Possible Strategies:**

1. Revise City housing programs to require more accessible units than federally required in multi-family developments.
2. Explore setting aside CDBG funds to provide accessibility accommodations for those who cannot afford them.
3. Explore working with non-profit partners to target financial literacy programs in R/ECAP areas and to disadvantaged populations, by having classes during community and neighborhood association meetings, and at churches.

4. Increase varied housing types through modified zoning (middle housing); spot zoning for multi-family development; streamlined permitting for small-scale rental housing like duplexes. Help support the expansion of Form Based Code.
5. Explore hosting an architectural design contest to find aesthetically pleasing options for built in accessibility for housing units. These options will be incorporated/favored into future housing developments funded by the City.
6. Work with subrecipients to target rehab programs in R/ECAP areas by using intentional place-based promotion and attending City-hosted informational fairs.
7. Explore revising City housing programs to provide additional points for projects located in R/ECAP areas.
8. Target Lead Hazards Reduction program outreach to R/ECAP areas to provide more lead safe homes for children.
9. Support the renovation of aging CHA housing sites through funding assistance
10. Support programs that work to house the hard-to-serve populations (disabled, ex-offenders, homeless)
11. Work with non-profits who work with ex-offenders to provide information on housing options and ex-offender friendly landlords
12. Explore various levels funding based on location of affordable housing projects

**Partners:**

Banks and Non-profit housing lenders

Non-profits that specialize in financial literacy (CNE, Operation HOPE, Catholic Charities, etc.)

Economic and Community Development (LDO, internal programs)

Housing Connections Teams

Chattanooga Housing Authority

For profit and non-profit developers

Agencies that specialize in prisoner re-entry programs

Agencies that specialize in homeless housing

Agencies that specialize in disabled housing

**Impediment 4:** Neighborhoods with a high concentration of minorities and poverty are not neighborhoods of choice, with higher rates of blight and crime, and less access to jobs, public transportation, and neighborhood services.

**Possible Strategies:**

1. Support developments that would include full service grocery stores in the urban core
2. Explore options to support redevelopment efforts involving place-based options for housing, transportation, education, recreation, and healthy living, as prescribed by the results of the Chattanooga-Hamilton County Regional Planning Agency's Area 3 Plan.
3. Explore reserving CDBG demolition funds for properties located in the R/ECAP areas.
4. Explore options to support place-based options transportation as prescribed by the results of CARTA's Redesign Plan, particularly with respect to the walkability and safety of bus stops.

**Partners:**

CARTA

Department of Transportation

Chattanooga Police Department

Chattanooga Housing Authority

Chamber of Commerce

Economic Development

Housing partners

Local Businesses

Southeast Tennessee Development District

**Impediment 5:** Fair Housing education and advocacy are not widespread.

**Possible Strategies:**

1. Provide CDBG funding to establish fair housing outreach and education efforts, with the intention of applying for the Fair Housing Initiative Program – Education and Outreach Initiative grant in a couple of years to scale up outreach efforts.
2. Explore partnering with local attorneys to assist with fair housing complaints in an effort to give people alternatives routes to reporting fair housing violations.
3. Establish effective fair housing outreach methods to the Hispanic community and increase the capacity of Hispanic community advocates to identify and assist with fair housing violations.
4. Create an email list for all area non-profits, landlords, developers, and advocacy groups to disseminate information related to fair housing, such as fair housing law changes, opportunities to comment on law changes, fair housing resources, and information to provide at their places.
5. Include the LGBT community in annual fair housing conferences to continue to increase awareness of their barriers to fair housing with the hope of increasing advocacy and options for the LGBT community.
6. Make fair housing literature readily accessible in English and in locally appropriate Spanish and distribute it throughout the city to educate citizens on what fair housing is and the applicable violations.

**Partners:**

Tennessee Human Rights Commission  
Chattanooga Housing Authority  
Neighborhood Services  
Chattanooga Neighborhood Enterprise  
Agencies that specialize in prisoner re-entry programs  
Agencies that specialize in homeless housing  
Agencies that specialize in disabled housing  
Multicultural Affairs

## Geography

The City of Chattanooga, which is the Participating Jurisdiction (PJ) for HUD funds, is located in Hamilton County. Hamilton County, TN, with a population of 364,286, <sup>2</sup> is the 4th most populated county in Tennessee and borders Catoosa County, GA; Dade County, GA; Walker County, GA; Whitfield County, GA; Bledsoe County, TN; Bradley County, TN; Marion County, TN; Meigs County, TN; Rhea County, TN; and Sequatchie County, TN.

The City of Chattanooga is significantly lower income than the surrounding county. It consists of eighty-one (81) census tracts, of which nearly a third of them, twenty-three (23), have a low/moderate income percentage greater than 50%, and are considered Low/Moderate Income (LMI) census tracts (Table 1). All of these LMI census tracts, as well as all of the Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are located in Chattanooga. Hamilton County's R/ECAP areas are census tracts 11, 12, 13, 14, 16, 19, 20, 23, 24, 25, 26, and 122. Chattanooga, with a population of 180,557, is the fourth largest City in Tennessee, behind Nashville-Davidson, Memphis and Knoxville. A map of Hamilton County's census tracts is located at the end of this report for reference. (Appendix A)

The surrounding geography lends Chattanooga to be a destination for tourism, outdoor life, entertainment and industry. The Tennessee River flows through the city, demarking the distinction between downtown and north shore. The city is nestled in a bowl, surrounded by mountains at the foot of the Blue Ridge Parkway. Chattanooga is home to many parks, nature centers, hiking trails and in close proximity to river rafting. There are two major interstates converging in downtown, Interstates 75 and 24. From these, you can get to I85 and I59, taking you nearly everywhere on the east coast. This makes Chattanooga a prime spot for commercial trucking companies.

Currently, census tracts 4, 16, 19, 20, 31, 123, and 124 are qualified Opportunity Zones in Tennessee.

## Jurisdiction

The City of Chattanooga's jurisdiction falls within the city limit boundary (Figure 1). Therefore, all policies created by the City affect residents within the city limits of Chattanooga and consequently, all HUD funds received by the City of Chattanooga, must be spent within these boundaries. Even though Chattanooga's policies are limited by political boundaries, based on population density maps and minority distributions, the Chattanooga has the highest density of population overall, as well as an overwhelming majority of the minorities in the county. In addition, all of Hamilton County's LMI census tracts (Figure 2 and Table 1) and R/ECAP areas are located within Chattanooga city limits. Using this knowledge, we know that policies implemented within the city limits will still impact a majority of the people this analysis aims to serve.

Figure 4 shows these LMI census tracts in red. As you can see, all of the low- and moderate-income census tracts are located within the Chattanooga city limits. When you look closer at the population density within Chattanooga census tracts (Figure 3) there are heavy concentrations of people in these low income census tracts.

Figure 1: Chattanooga City Limits



Figure 2: Low/Moderate Income Census Tracts (shaded red)

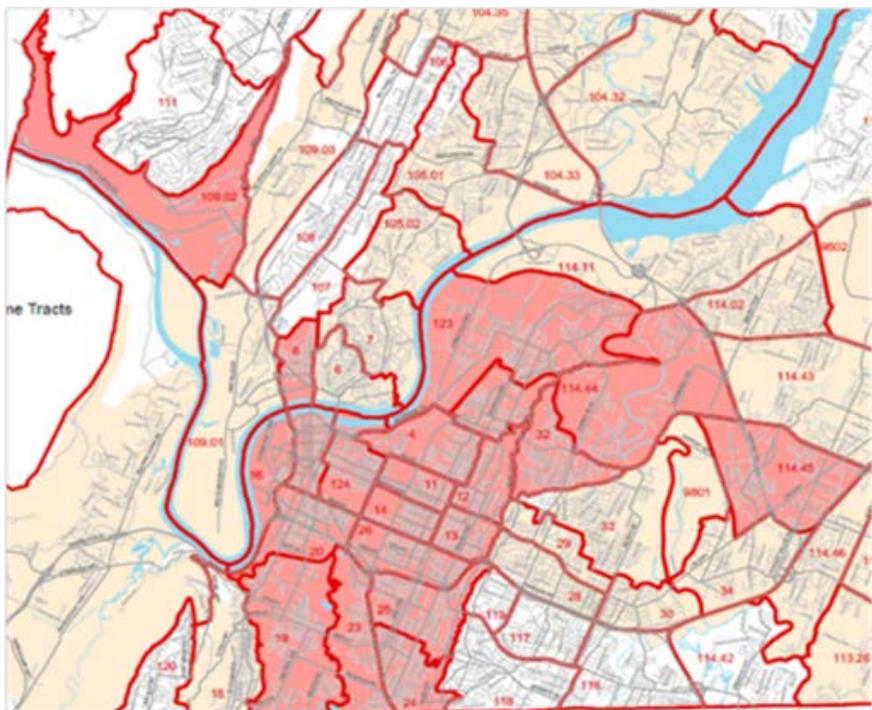
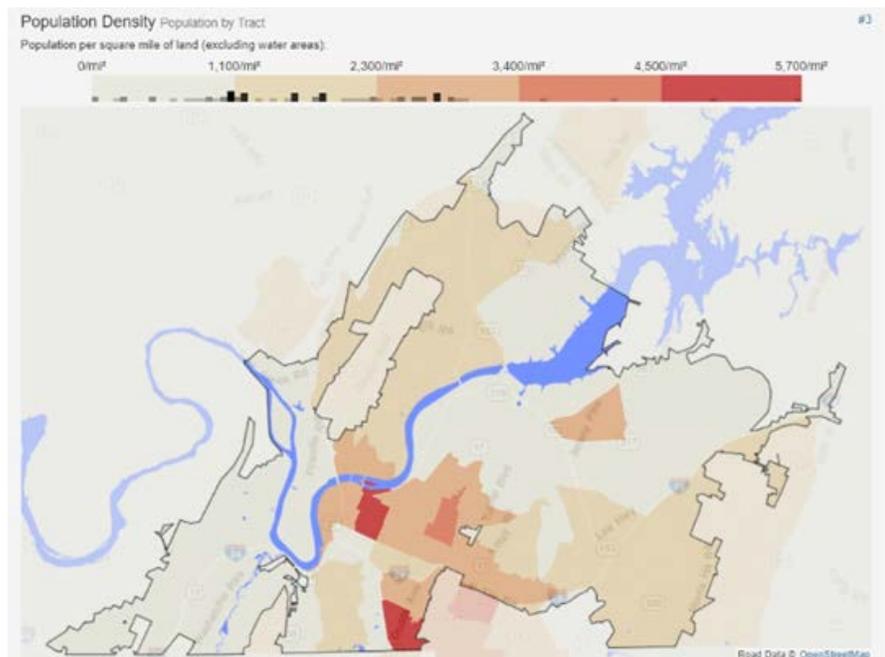


Table 1: LMI Census Tracts <sup>3</sup>

Low/Moderate Income (LMI) Census Tracts (as of the 2010 Census)		
Census Tract	Percent Low Income 2010 Census	Percent Minority 2017 5-Year ACS
4	68.45	92.94
8	68.31	32.81
11	62.87	72.23
12	61.11	87.65
13	74.25	71.36
14	66.42	53.06
16	100	89.35
19	85.83	95.54
20	85.02	41.37
23	68.56	69.51
24	78.12	61.74
25	80.76	69.89
26	75.76	64.70
31	60.53	37.26
32	61.81	86.55
106	53.33	10.83
107	54.35	17.89
109.02	70.31	5.42
114.44	59.59	90.40
114.45	51.24	27.49
122	86.55	94.20
123	66.32	70.82
124	68.17	24.45

Figure 3: Population Density of Chattanooga by Census Tract <sup>4</sup>



Chattanooga is a very diverse region due in part to its geography. The abundance of blue-collar jobs located just over the border on Georgia have brought Latinos to the area. The city's central location and reputation as an interstate and railroad hub have brought in several businesses from around the world, adding Asians and Europeans into the mix. While the proportion of whites to other race is still large, the population trend shows a shifting as industry diversifies and employee immigration continues. (Table 2) The downtown area consists of several historically black communities, and recently, a few concentrations of Latinos. In addition, the city is home to a wide range of ages, attracting young people for school and employment, families to raise their children, and elderly for retirement.

Table 2: Census Statistics – City of Chattanooga vs Hamilton County <sup>5, 6</sup>

<b>Statistic</b>	<b>2017 est. Chattanooga</b>	<b>2017 est. Hamilton County</b>
<b>Population estimate</b>	179,139	361,613
<b>Population, percent change</b>	5.2%	7.5%
<b>White alone, percent</b>	61.0%	75.8%
<b>Black/African American alone, percent</b>	33.3%	19.4%
<b>American Indian/Alaskan Native alone, percent</b>	0.1%	0.5%
<b>Asian alone, percent</b>	2.4%	2.1%
<b>Native Hawaiian/Pacific Islander alone, percent</b>	0.1%	0.1%
<b>Two or more races, percent</b>	2.1%	1.8%
<b>Hispanic/Latino, percent</b>	5.6%	5.7%
<b>White alone, not Hispanic, percent</b>	56.5%	71.1%
<b>Foreign born persons, percent (2013 – 2017)</b>	5.9%	5.0%
<b>Language other than English spoken in home, percent of persons age 5+</b>	7.4%	6.5%

Figure 4: Hamilton County Population Density Map <sup>8</sup>

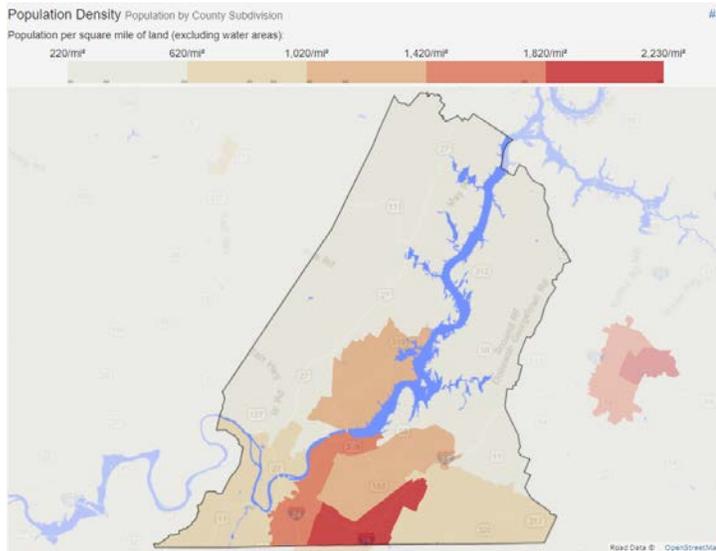
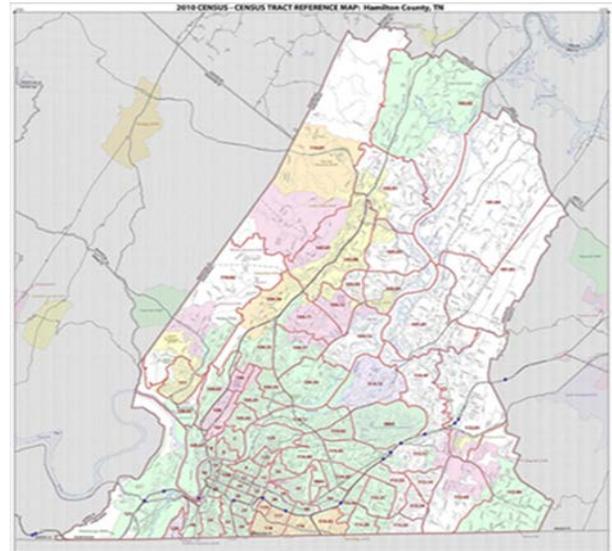


Figure 5: Map of Hamilton County <sup>9</sup>



The Chattanooga MSA (Figure 6) includes Hamilton, Marion, and Sequatchie Counties in Tennessee and Catoosa, Walker, and Dade Counties in Georgia. With Chattanooga situated on the TN-GA line, it is common for people to live in Georgia and come to work, shop, and recreate in Chattanooga. This positioning is why First Horizon’s Community Reinvestment Act Map includes portions of Northern Georgia. (Figure 7)

Figure 6: Chattanooga MSA <sup>3</sup>

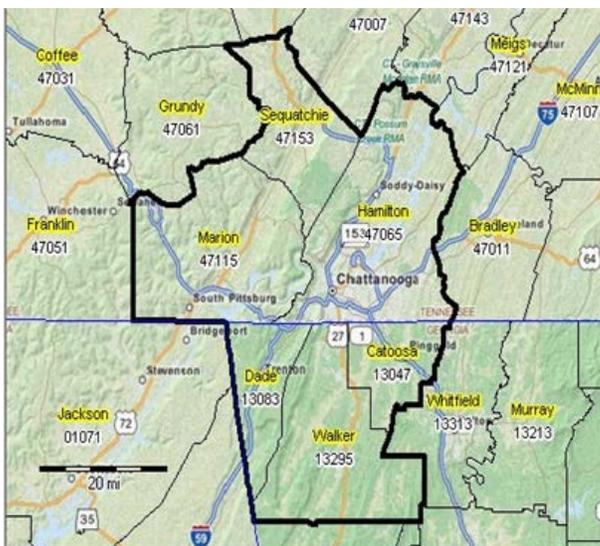
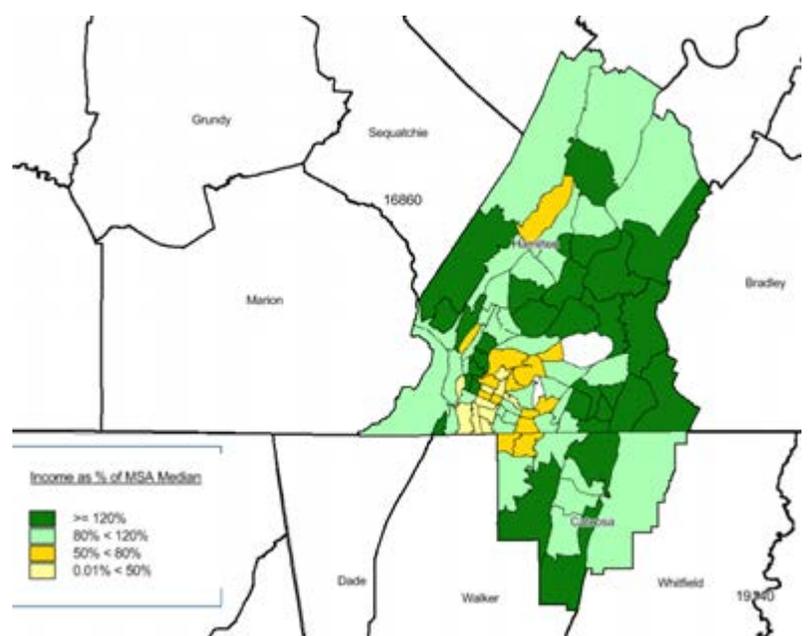


Figure 7: First Tennessee (First Horizon) CRA Map for the Chattanooga MSA



## Intergovernmental Partnerships

Despite Chattanooga and Hamilton County having separate governments, there are strong partnerships between the two governments in many areas that affect the lives of residents of everyone in Hamilton County. Examples of these partnerships include:

**PILOT Developments:** The City of Chattanooga City Council and the Hamilton County Commission must both approve PILOT Developments and contribute to the tax reductions.

**Section 8 Vouchers:** The Section 8 vouchers are managed by the Chattanooga Housing Authority, which is a county-wide entity. The City of Chattanooga often provides HOME funds for developments which receive Section 8 funds, and conversely, CHA will provide Section 8 vouchers for City HOME projects.

**Affordable Housing:** Hamilton County has quick claimed in excess of sixty jointly-owned properties to the City of Chattanooga for their Affordable Housing Program.

**Head Start Program:** The City of Chattanooga runs the Head Start Program, which provides school readiness to all Hamilton County children with the assistance of funds from Hamilton County.

**Hamilton County Emergency Assistance Program:** The City of Chattanooga provides ESG funds to the county's Emergency Assistance Program, which the county funds at a one-to-one match with ESG funds.

## Changes in Chattanooga in Recent Years

Chattanooga has been changing drastically since the 1980s. Once a city riddled with the worst air pollution in the country, Chattanooga is a leading example of 'quality place making' for the nation. The Air Pollution Control Bureau cites that once federal regulations were tightened in the 1990s, Chattanooga had finally achieved attainment standards for the ozone in 2007<sup>12</sup>. After achieving the federal standard for compliance, industries were able to be established without any additional pollution reduction equipment. Volkswagen chose Chattanooga for a new assembly plant the next year. Many manufacturing companies have been able to flourish in recent years. Chattanooga has achieved the fastest internet service in the western hemisphere due to the Electric Power Board's (EPB) exclusive fiber optic network service. This has drawn attention nationwide to Chattanooga as an innovation hub for many tech startups.

In 2018, the hourly wage necessary for a 2 bedroom apartment at fair market rent was \$15.50, meaning at the current fair market rent of \$806, a person would need to work 2.1 full time jobs at minimum wage to afford a 2 bedroom apartment.<sup>13</sup>

It's no secret that across the United States, downtown urban centers are revitalizing at alarming rates, often pushing out the lower income residents who occupied the area for decades. While developers, lenders, and local governments decry that gentrification is an unintended consequence of urban revitalization, the numbers are staggering in Chattanooga. Many people are getting priced out of their own neighborhoods. There have been a few neighborhoods hesitant to think blight elimination and beautification can be done without gentrification. Many fear displacement is on the horizon with the rapid housing developments. Zip code 37408, the historic Southside community, is facing the one of the fastest gentrification rates in the county. The Thomas B. Fordham Institution studied the population shift and found that the racial composition changed from 7.2% white in 2000 to 45.9% white in 2010<sup>14</sup>. The influx of middle class, affluent whites in this area has led to unaffordable housing costs and unequitable developments. The National Resource Network cited that an increase of residential building permits in the St. Elmo, Northshore, and Highland Park neighborhoods will speed up market activity and lose affordable housing. The neighborhoods with the highest investments will see a big increase in newer residents with higher incomes.

On Chattanooga's Northshore, lies a community known as Hill City. This area was one of the many Union camp sites after the Civil War that offered asylum for former slaves. Settled by nearly 6,000 freed slaves, the area was originally called Camp Contraband. During the Reconstruction period after the war, the camp's predominately African American residents could find steady employment and take part in civic matters. Eventually, their rights as US Citizens declined in the 20<sup>th</sup> century. White supremacy was exceedingly

prevalent during this time as the South became riddled with Jim Crow laws. The once thriving community was segregated and reshaped. The unique historical and cultural significance of Hill City faded into the 21<sup>st</sup> century as revitalization efforts grew. In 2010, a small bungalow owner residing in Hill City paid \$344.00 in annual City property taxes. <sup>15</sup> Now in 2019, the property taxes have increased to \$768.92. Long term residents in the Northshore area are being surrounded by new high-rise condos, apartments and retail at incredible rates. The owners are not able to keep up with the rising real estate assessments and are selling and moving. However, the number of low-income census tracts have remained stable, where we have lost tracts, we have gained others, indicating that the overall economic health of our poorer populations has not changed.

# Community Engagement

## Types of Engagement

Community input was received through several avenues over a period of a couple of years.

### *Community meetings and surveys*

Community meetings were conducted in the summer of 2019 to gather input from the general public on fair housing issues encountered in Chattanooga. Four public meetings were conducted in December 2019 and January 2020 to solicit public comments on the draft Analysis of Impediments. Attended a THDA public meeting for their Fair Housing Plan in 2019 at the Southeast Tennessee Development District. A community-wide survey was conducted through the City's Internal Audit Office in 2018, which had approximately 2000 respondents. A fair housing survey was distributed by the Office of Multicultural Affairs during Chattanooga's MLK Day of Service in 2019. In December and January, the City conducted their Budgeting for Outcomes public meetings which were attended by approximately 250 attendees and survey responses.

### *Focus Group meetings and surveys*

The Housing Connections Conference was conducted in 2018 which included representatives from all sectors of housing to discuss affordable housing in Chattanooga. Fair housing issues and vital public perception was brought up during these meetings that was incorporated into the AI. Attended a landlord meeting that was attended by 23 area landlords to discuss barriers to providing affordable housing. Fair housing surveys were distributed to Public housing/Section 8 residents. In addition, information was gathered from other city and county-wide meetings pertaining to other planning reports going on in Hamilton County. Several discussions were held with the public, housing providers, and the City's Compliance Officer, which resulted in discovering the fair housing issues present in our city.

### *Stakeholders' surveys*

A landlord survey was distributed that collected information on the challenges/barriers landlords had to accepting Section 8 voucher holders. Valuable perception of Section 8 holders was received in addition to information to address the lack of housing options for LMI renters. Realtor surveys were sent out to determine what challenges, if any, were unique to minority populations and LMI home shoppers. The survey also obtained information related to the importance of proximity to schools, employment, and transportation.

### *Partner communication*

Discussions with partners about challenges to housing vulnerable populations and challenges to providing accessible and affordable housing are ongoing. Discussions with the City Compliance Officer provided information about complaints her office has been receiving and the need for more outreach and education.

#### *Faith-based organizations*

Fair housing and housing barrier surveys were sent out to faith-based organizations to distribute to their congregations.

#### *Advocacy groups*

Conversations with advocacy groups, including LaPaz, yielded valuable information on fair housing issues related to the Hispanic community and on more effective ways to reach the Hispanic population. Southeast Tennessee Development District provided information the need for accessibility rehabilitation versus the available funding for such projects.

#### *Fair Housing Conference*

A Fair Housing Conference was held in 2018 which included sessions centered on educating the public about Fair Housing laws, with specific attention to women, people of color, people with disabilities, immigrants and LGBT Chattanoogaans. 125 people attended.

## Results of community engagement

After culminating all the information from the input utilized for this report, the following stood out as common issues:

1. Accessible housing is hard to come by and funds for rehabilitation for accessibility are limited
2. Landlords are reluctant to provide accessibility modifications unless the tenant pays for them, especially for LMI renters
3. Fair housing outreach needs to be increased
4. The LGBT community experiences significant fair housing issues both in private housing and non-profit shelters
5. Fair housing is a problem among the Hispanic populations and the City needs to restructure their outreach to the Hispanic community
6. There are still a fair number of fair housing complaints coming through the City's Compliance Officer and the TN Human Rights Commission related all of the protected classes.
7. There were a few instances of housing based discrimination based on a criminal record uncovered in the surveys

8. The public housing authority surveys showed fair housing complaints still exist in public housing sites
9. Landlords were reluctant to accept Section 8 voucher holders and/or provide LMI rentals without protection against financial losses, tenant education, case management for tenants, and rent subsidies
10. Fair housing education is lacking. Landlords don't know their obligations under the Fair Housing Act, leading to discrimination, particularly against the disabled and people with a criminal background.
11. There is prejudice against Section 8 voucher holders. Despite the guaranteed rent payment, there is still a stigma surrounding voucher holders and their ability to be good tenants. They are often referred to as "those people."
12. Citizens don't have a clear understanding of what the protected classes are and when an incident is actually a violation of the Fair Housing Act. Complaints often come in pertaining to classes of people that they feel should be covered, but are in fact not, including LGBT and Section 8 holders.
13. Landlords and citizens don't know under what circumstances the Fair Housing Act applies.

## Other Reports and Plans Consulted

### **National Resource Network Bridging the Gap: Affordable Housing and Workforce Development Strategies Full Report** <sup>16</sup>

This report analyzes housing and workforce development in the City of Chattanooga, and strategies to counter disparities. The report found that, “housing insecurity affects Black and African Americans at a higher rate than it affects the city’s total population.” Also, the city lacks rental units affordable for those extremely low and very low income households. The report identified the following barriers for Chattanooga: lack of consensus, limited local capacity and financing mechanisms, lack of skills needed for living wage occupations, and criminal records

### **Regional Planning Agency Area 3 Plan** <sup>17</sup>

This report is currently in draft form and is the revision of the RPA’s development plan for Area 3 which is essentially the area from the Tennessee to Missionary Ridge. The report addresses using “placemaking” to drive future commercial and residential development in this area, which contains all of the city and county’s R/ECAP areas.

The following information came from several sessions of input throughout the planning process:

1. Lack of affordable housing was one of the five key issues identified by residents at the first community visioning session. From the Community Choices survey, residents indicated the following preferences: 1) retaining the single-family character of existing core neighborhoods, and 2) support of multi-family and “Missing Middle” housing if it is located along commercial corridors or at key intersections.
2. In the Community Choices survey, participants clearly expressed a preference for walkable retail centers.
3. Access to jobs is another important issue raised by the residents of the Historic-River-to-Ridge neighborhoods. Employers echoed this concern, saying that access to jobs was one of their biggest barriers to being able to hire new employees. Transit, bicycles, or walking are the only options to get to and from work for those who do not have access to a car.

### **2019 Housing Connections Report** <sup>18</sup>

This report was drawn up as a result of two half-day conferences bringing together stakeholders from all across the housing industry to develop action items to drive housing in Chattanooga. Participants in the

Housing Connections Conference were split up into teams to address different challenges to housing in Chattanooga. Recommendations included:

1. Adjust incentives
2. Re-entry assistance
3. Mitigation for inconsistent income
4. Identify dedicated funding source
5. Create new residential zoning
6. Improve access to information and education
7. Increase outreach and marketing
8. Discourage affordable housing bias
9. Repair and renovate existing housing stock

### **Tennessee Fair Housing Report 2009** <sup>19</sup>

This report discusses types of discrimination occurring across Tennessee. Specifically noted are fair housing violations pertaining to rental housing, Section 8 housing, disabled persons, and race, which are all noted to occur in Chattanooga.

### **National Fair Housing Alliance 2019 Fair Housing Trends Report** <sup>20</sup>

This report analyzes recent changes in the Federal Government that jeopardize fair housing across the country. The report had some relevant, noteworthy findings, including:

1. The use of technology with regard to housing can disproportionately affect people's access to housing. Technology use in accessing mortgages has an unintentional discriminatory effect on minorities. Challenges have been made to Facebook concerning the way they market housing and mortgages to their users. (page 8, 10)
2. Sexual harassment in housing is on the rise, particularly with vulnerable populations with limited housing options. Women and single mothers are most vulnerable to sexual harassment in housing.(page 8, 10)
3. 2018 saw a record number of housing discrimination complaints filed (31,202) since NFHA started collecting data in 1995. (Page 9)
4. Banks and credit unions are traditionally absent in communities of color, while predatory lending companies, such as pay day lenders and title pawns are numerous. (page 51)

5. Nearly a quarter of African Americans and Hispanics do not have enough credit to have a credit score, making it impossible for them to access mainstream, safe credit outlets.
6. Hate-related incidents have been on the rise which inhibit affected groups from being able to exercise and enjoy their fair housing rights. (page 56)

The FHAP recommended the following actions to take place locally and nationally:

1. HUD Must Reinstate and Effectively Implement the Affirmatively Furthering Fair Housing Rule
2. HUD Must Immediately Reinstate the 2013 Disparate Impact Rule
3. Steps Must Be Taken to Address State Preemption of Fair Housing Laws
4. Fair Housing Must Be Applied to Technology with Housing-Related Functions
5. Congress Should Pass the Equality Act and Fair Housing Improvement Act of 2019
6. The Nation Must Address the Increase in Hate Activity

### **RPA's People, Places, Paths Report 2018** <sup>21</sup>

This report covers connectivity of Hamilton County and concurs that most homes in Hamilton County and the region, "do not have viable access to walking, biking, or transit facilities and are therefore limited to travelling by automobile for most of their trips." Travel sheds were analyzed for public schools, community centers, EMS stations, parks, bus stops, libraries, and grocery stores.

### **Chattanooga 2.0 Building the Smartest Community in the South: Ten Urgent Strategies to Transform Our Future** <sup>22</sup>

This report discussed the economic effects of Hamilton County being behind in education. It noted that due to Hamilton County residents not having the necessary education and credentials to fill high paying jobs in the county, only 56% of jobs in the county are held by Hamilton County residents. This underscores the necessity to increase education across Hamilton County and raise achievement of all students and adults. Improving education will help to relieve many barriers to fair housing choice as well, reducing crime by providing opportunity, improving the standard for all minority children, and increasing economic and income stability which will bring low income and minorities out of poverty.

### **Renewing Our Vision: Comprehensive Plan Update 2030, Phase 1 Growing Forward** <sup>23</sup>

This is an update to the Comprehensive Plan the Regional Planning Agency did in 2016. Some of the issues that are being addressed as a part of this plan, that are relevant to the Analysis of Impediments, are 1)

transportation options, 2) neighborhoods with jobs, shops and grocers, and 3) diverse, affordable housing. In 2018, all of these issues were vetted with the public, through an extensive public participation process, to determine if they were still priorities. The three listed earlier were in the top four priorities for citizens.

### **CARTA's Transit Choices Report 2017** <sup>24</sup>

This is a transit needs assessment conducted by CARTA in 2017 in order to assist in re-evaluating the transportation needs of city residents. As addressing public and alternative forms of transportation is mentioned in the Analysis of Impediments, it was necessary to analyze the data CARTA recently procured and what their needs assessment revealed. It was revealed through the AI that utilization of alternative forms of transportation, including public transportation, is low. At most, 35% of a census tract's population utilizes the bus. CARTA's needs assessment revealed that people will walk further for a stop, but only if it is safe to. Currently, the walkability of CARTA's bus stops is low due to traffic and sidewalk patterns. Stakeholders suggested to CARTA that 1) there should be a shift toward higher ridership, with 83% supporting a shift to at least 60% ridership focus, above the 55% ridership focus currently, and 2) Nearly all stakeholders expressed support for additional transit service and increased investment (at least 30%) in Chattanooga transit. Input from: over 100 stakeholders

### **THDA's The Need for Affordable, Accessible, and Service Enriched Housing for Older Adults in Tennessee 2017** <sup>25</sup>

This report addresses the issue of an aging population and the inevitability of seniors being cost burdened and unable to age in place. Information was gathered from group discussions addressing the following topics:

1. Where do low income seniors reside; how many are housing cost burdened; what is the availability of affordable housing for very low income seniors?
2. What is the need for accessibility in homes occupied by seniors; how many low income seniors are currently served by programs that help fund improved accessibility?
3. How many low income older adults need or receive Home and Community Based Services (HCBS)?
4. What is the availability of support services that may be linked with existing affordable housing; where are housing and health services already successfully integrated in Tennessee?
5. How are other states/localities linking housing and health services; can Tennessee agencies emulate other state's successful strategies?

Overall findings were that most seniors in Tennessee live in their own home, but housing cost burden occurs more in seniors who rent versus homeowners. The report calls for robust home modification programs that will assist low income seniors with aging in place, which is reflected in the Analysis of Impediments.

**RPA Hamilton County- Chattanooga Area Real Estate Market Analysis Report and Data Book.  
November 2016 <sup>26</sup>**

Market Analysis conducted with Bleakly Advisory Group to determine the upcoming real estate and commercial needs of Hamilton County. The following findings were noted:

1. “Areas in and near downtown Chattanooga and in the southeastern portions of the county will likely continue to capture outsized portions of population and employment growth relative to other areas of the county.” (Page 3)
2. 50%+ of rental demand in the next decade is from low and moderate income households. (page 4)
3. “75% of future housing demand will occur in just 5 of 11 county subareas” (page 4)
4. Hamilton County will add more than 30,000 jobs in the next decade (page 4)
5. “Placemaking” is a trend in Chattanooga that may help to provide some of the opportunities in the county.
6. The report concludes that the county needs to encourage the following land use policies, which will support efforts outlined in the Analysis of Impediments:
  - a. Walkable neighborhood-scale districts throughout the developing portions of the county.
  - b. Overlay zoning districts for areas to support mixed use developments.
  - c. Walkable environments around civic institutions, job centers and historic landmarks.

**RPA. Chattanooga Housing Study, July 2013 <sup>27</sup>**

During the course of this study, it was determined that more rental housing overall, and especially affordable housing needed to be established in Hamilton County. The study was intended to be an in-depth analysis of current housing in Hamilton County and future housing needs. Findings included a demand for more affordable housing at all levels, and there is a shift from homeownership to more rentals. In addition, smaller houses are favored more than larger ones. Strategies need to be more place-based, and should reflect the connection between housing, schools, transportation, employment, public health, and recreation.

The Housing market focus group indicated the following:

1. There is a lack in housing choices. We need to have more options for people who do not fit into the “single-family” mold.
2. Financing for buyers and builders. This has changed somewhat since 2013.
3. The availability of affordable housing is a gap in Hamilton County’s market. In addition, housing choice vouchers are too low to cover rents in better areas of the city.
4. Realtors indicated that people want to live where there are good amenities, including schools and walkability, but there aren’t enough housing options in the areas with good amenities.
5. More flexibility and streamlining of building and development regulations is needed.

**THDA Aging Affordable Rental Housing in Tennessee and the Need for Preservation** <sup>28</sup>

This report detailed the aging rental housing stock in Tennessee and the need to preserve the current rental housing stock. (pg. 4) The report mentioned that regardless of whether you lived in the east, west or middle of the state, “more than 50 percent of Tennessee renters occupy housing that was originally built prior to 1979.” The report also explained the aging of current public housing and LIHTC properties in the state. Fifty-nine percent of public housing is at least 30 years old. (pg. 7) There is similar aging concerns with Section 8 housing and RAD housing. The report also explained that contract expiration is putting affordable housing at risk. As affordable housing projects complete their contracted time to remain affordable, the properties become eligible to be sold and/or converted to market rate homes.

This report supports the city’s need for more affordable rentals and the need to try and preserve all manner of rental housing stock.

**Tennessee State Plan on Aging October 1, 2017 to September 30, 2021** <sup>29</sup>

The number of elderly is expected to grow by 37% by 2030, which means problems with aging will continue to rise, and services and housing will need to keep up. Survey results yielded the following results:

1. Transportation is a common barrier to elderly in Tennessee being more active in their communities, and 39.7% listed it as one of their top three unmet needs.
2. 38% of all senior renter households and 19% of all senior owner households are cost burdened. This holds true regardless of income; however, housing cost burdens worsen at lower income levels.
3. Only 39% of very low income senior renter households are estimated to benefit from a project or tenant based rental subsidy in Tennessee. The gap in available affordable rental units/vouchers for very low income seniors is expected to grow over time.
4. Funds for home modification grant programs, which may help low income senior homeowners afford improved energy efficiency or accessibility, are also estimated to fall short of need.

**Chattanooga Housing Authority Draft 2020 and 5-Year Agency Plan, August 7, 2019** <sup>30</sup>

CHA’s goals for the next five years include:

1. Assist non-elderly disabled individuals/families with the Mainstream Voucher Award (40). Work with DCS and COC to house targeted populations, youths/families in DCS or imminently to be placed in DCS care with the Family Unification Voucher (70)
2. Conduct outreach efforts to existing and new potential voucher landlords
3. Continue to provide and facilitate homeownership programming for both public housing and HCVP participants
4. Deconcentrate poverty by bringing higher income public housing households into lower income developments
5. Promote income mixing in public housing by assuring access for lower income families into higher income developments
6. Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
7. Increase the percentage of employed persons in assisted families through waiting list preferences
8. Provide or partner with supportive services to enhance the employability of clients
9. Provide or partner with supportive services to increase independence for all client households
10. Provide or attract supportive services to increase independence for the elderly or families with disabilities
11. For designated sites, CHA's Upward Mobility Program includes admission criteria designed to promote family self-sufficiency (described in ACOP)
12. Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, sexual orientation, gender identity, familial status or disability
13. Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, sexual orientation, gender identity, familial status, or disability
14. Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required
15. Take affirmative action to diversify the public housing resident and HCVP participant populations

## Factors that Affect Housing Choice

Housing choice can mean many things to different people. Some believe housing choice means having a variety of home types. Others think it means choice of location. To some, it could even mean the choice to have a home. The truth is, housing choice means all of this. It means the freedom to live where you want, without prejudice or disparity, in a dwelling suitable to your needs. People should be able to have the opportunity to live in an area where they have access to affordable quality housing, employment, decent schools and neighborhood amenities. However, it also means that people should not necessarily have to leave their neighborhood to receive the same benefits.

The Fair Housing Act of 1968 and as amended makes it illegal to discriminate against a person or family based on race, color, religion, disability, national origin or sex. Illegal discrimination includes refusal to sell or rent a home to a person based on a protected class; altering terms, conditions, privileges or advertising in a discriminatory manner; threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right; or indicating any limitation or preference based on a protected class. These actions are intentionally discriminatory.

Additionally, the public and private sector may make decisions that result in limiting fair housing choice based on protected classes. These actions may have a discriminatory effect. Examples may include concentrating affordable housing in remote areas without services because the land prices are cheaper; creating job centers away from public transit routes; or supporting homeownership over rental housing. These actions are not intended to disproportionately impact minorities, persons with disabilities, or other protected classes. However, because minorities, single mothers, many foreign-born populations, and persons with disabilities are also more likely to live in poverty, ride public transportation, and rent versus own a home, these actions result in creating impediments to fair housing choice for protected classes.

There are a number of factors that can affect housing choice. The major ones are income, transportation, housing stock, lending practices, economic development, crime, education, and zoning. In the following sections, we will discuss the current state of these factors described below as they relate to Chattanooga and Hamilton County, and how they are inhibiting housing choice for residents.

**Housing Supply** – Families are able to find decent, safe, affordable housing regardless of race, ethnicity, gender, family type, and other protected classes under the Fair Housing Act.

**Access to Opportunity** – The ability to live in a safe and healthy neighborhood, accessible to decent schools, and within a reasonable commute time to job centers, regardless of race, ethnicity, gender, family type, religion, disability, and other protected classes under the Fair Housing Act.

**Housing Accessibility** – Persons with physical and/or cognitive disabilities have access to decent, quality housing that is accessible to them, meeting Americans with Disabilities Act (ADA) requirements.

**Language and Communication Barriers** – Persons where English is their second language are able to understand the guidance and resources around fair housing laws and regulations and know where to access the information. Community stakeholders understand fair housing regulations and processes, and have the tools needed to advocate for their stakeholders around fair housing issues and violations.

**Housing for Other Vulnerable Populations** – The need for safe, decent and affordable housing for homeless populations, ex-offenders, and other vulnerable groups that are disproportionately minorities and persons with disabilities.

## Disproportionate Impact and R/ECAP Areas

This report utilizes maps provided by HUD's Affirmatively Furthering Fair Housing (AFFH) Tool to address multiple impediments to fair housing.<sup>31</sup> The maps illustrate Racially or Ethnically Concentrated Areas of Poverty (R/ECAP areas), which are census tracts where more than half the population is non-White and 40% of the population lives in poverty, or where poverty is three times to average poverty rate for the area. Historically, these R/ECAP areas are less likely to be near decent schools and amenities, and are more likely to suffer from high crime and neighborhood blight. Based on the analysis conducted for this Analysis of Impediments, Chattanooga's R/ECAP census tracts experience greater impediments to fair housing than other areas.

There are twelve census tracts, all located in Chattanooga, that are considered Racially and Ethnically Concentrated Areas of Poverty (R/ECAP). These census tracts are 11, 12, 13, 14, 16, 19, 20, 23, 24, 25, 26, and 122.<sup>5</sup> Currently, R/ECAP census tracts 16, 19, and 20 are qualified Opportunity Zones in Tennessee.

Figure 8: R/ECAP Area for Hamilton County and Chattanooga – Pink Outline

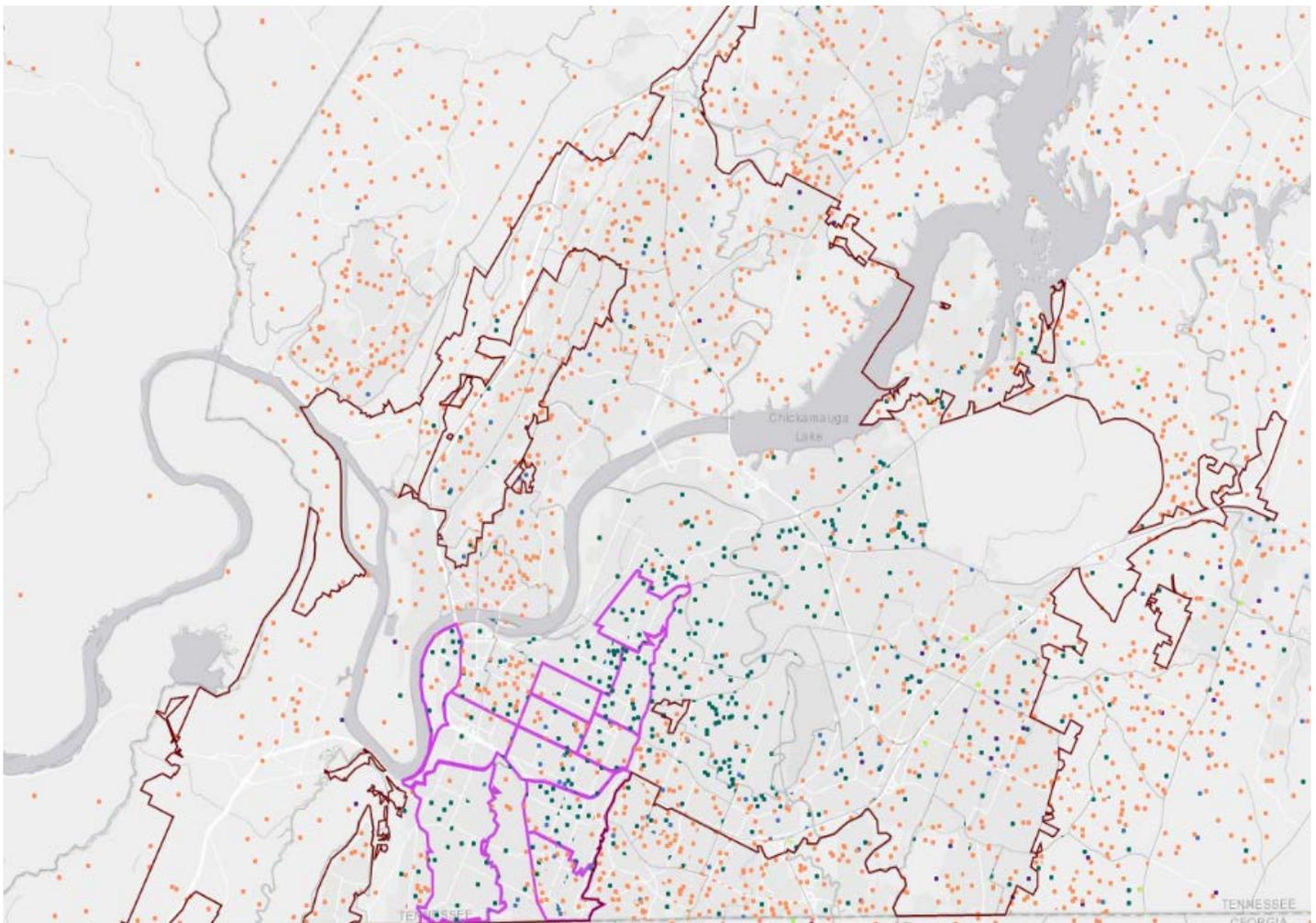
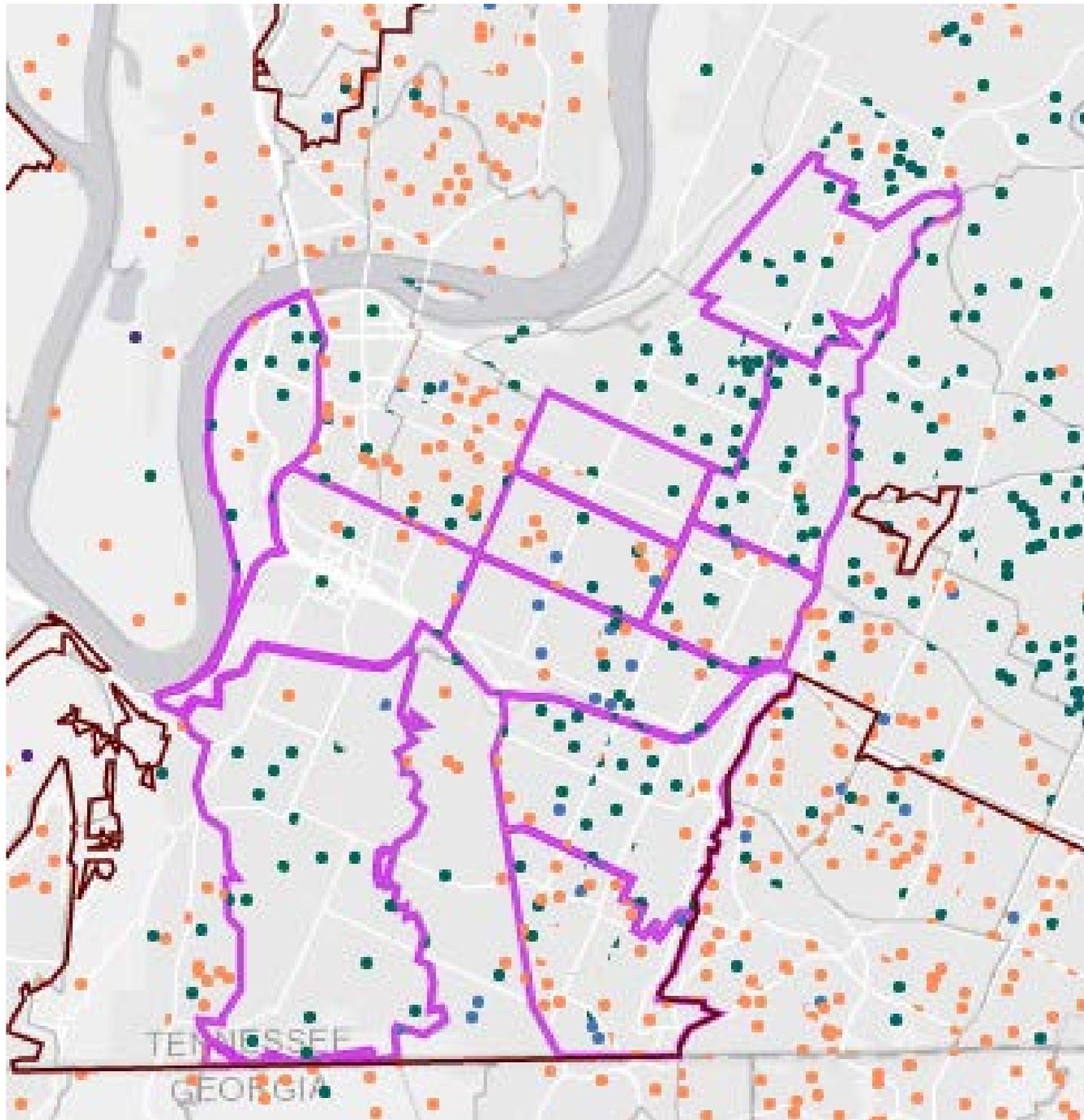


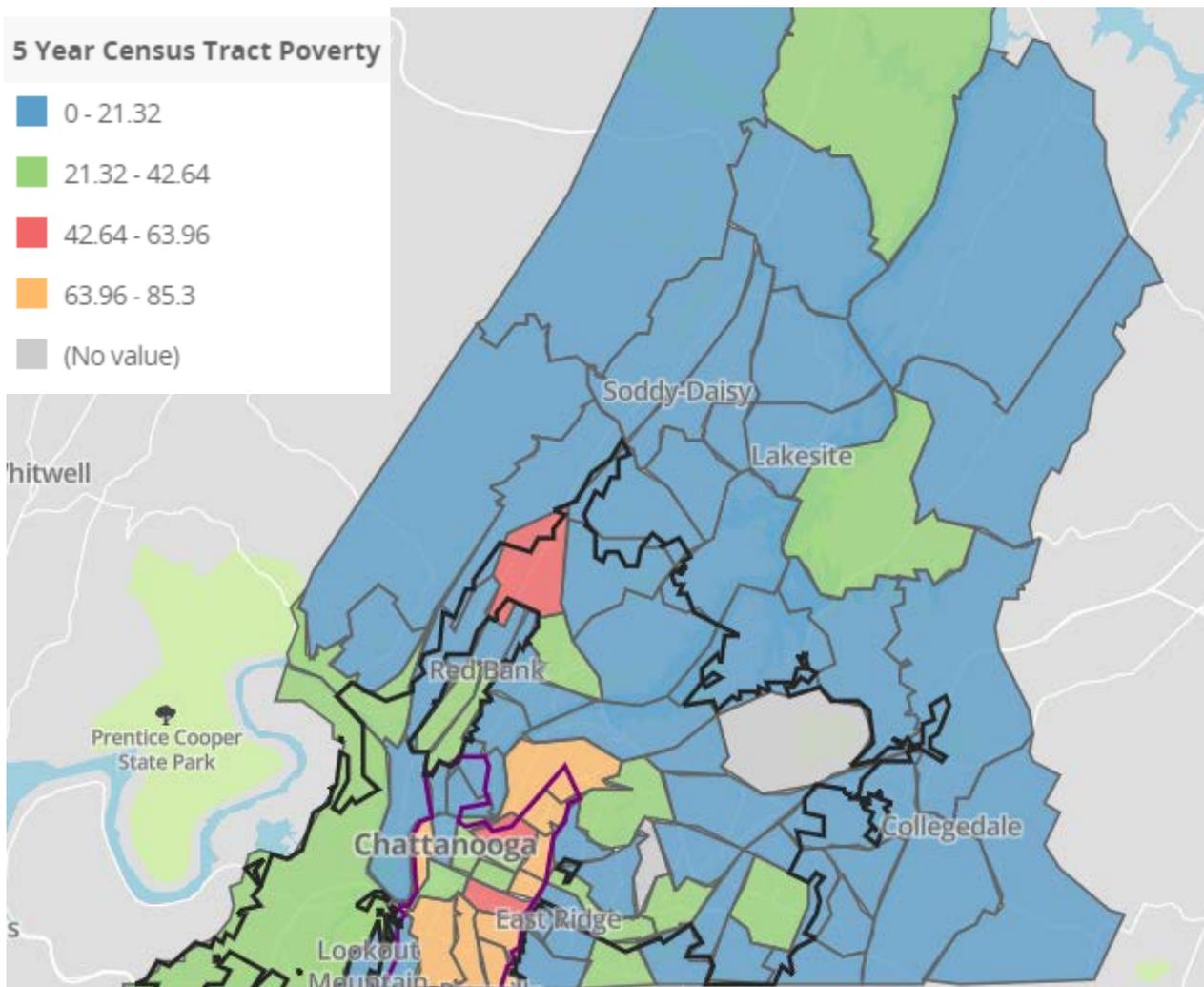
Figure 9: Close up of R/ECAP areas



## Families and Children

A female-headed household with children is more than six times more likely to live in poverty than a married couple, with 39% living below poverty (compared to 7.5% for married couples). This disparity is even more distinct among African American and Hispanic families, and among renter households. These families are also more likely to live in R/ECAP neighborhoods, in particular, the areas with a high concentration of public housing and Section 8 voucher units.

Figure 10: Percent of Population below Poverty Level by Census Tract for Hamilton County – Under 18 Years of Age <sup>3</sup>



Age	Percent
Persons under 5 years	5.8%
Persons under 18 years	20.8%

Looking at these numbers, we can interpret that 20.8% of Hamilton County’s population is in need of a quality education to prepare for future employment while 5.8% needs access to pre-K education and childcare.

When looking at the age groups by census tract, for particularly for the 5 to 14 year old bracket, we find that there are high concentrations of school-aged children in areas where public housing and Section 8 housing are concentrated. <sup>3</sup> For example, in CT 19, 24, 25, and 122 in Chattanooga have the highest rates of 5 to 14 year olds (shown in orange below). CT 19 and 24 have the highest rates of poverty (53.9% and 49.9%, respectively). There are two CHA managed housing sites in CT 19, two in CT 122, and two in CT 25.

Figure 11: Percent of Population below Poverty Level by Census Tract for Chattanooga – Under 18 Years of Age

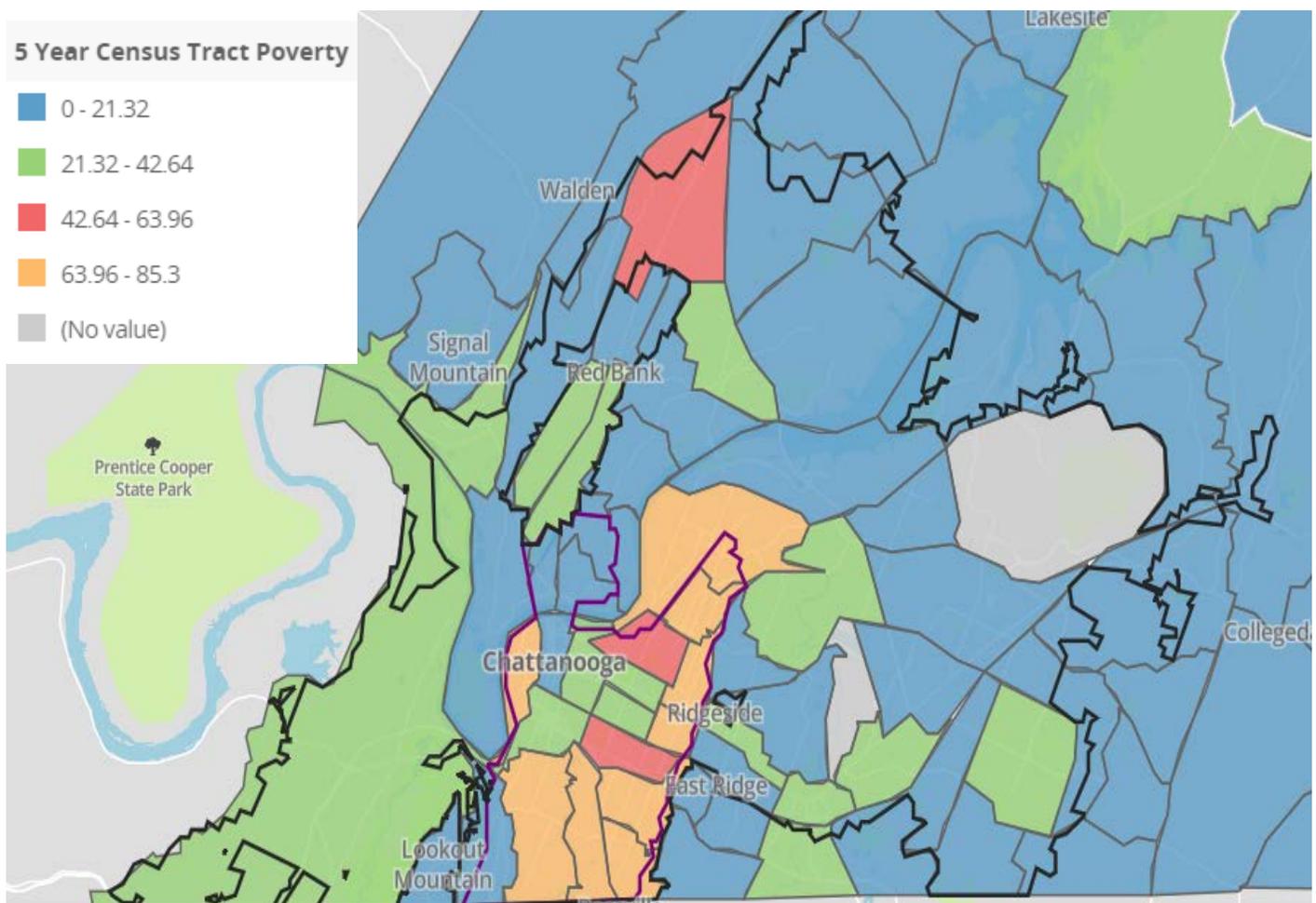


Figure 12: Percent 5 to 14 Year Olds by Census Tract for Hamilton County <sup>3</sup>

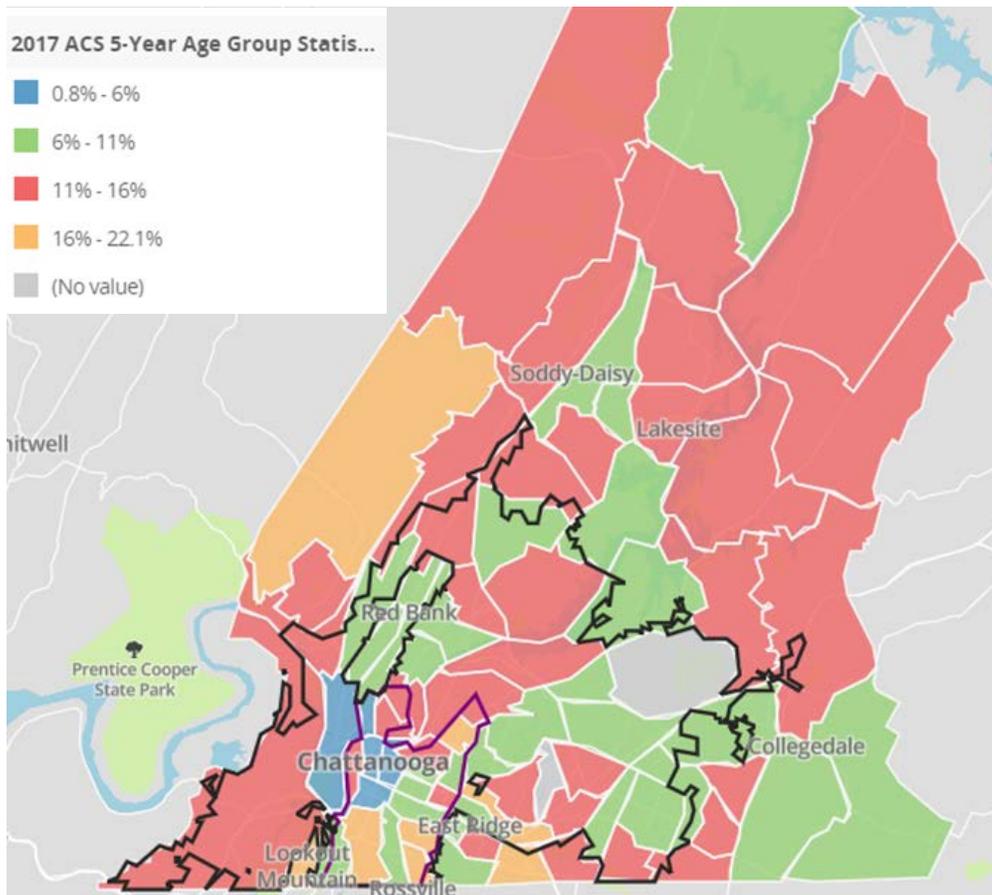


Figure 13: Percent 5 to 14 Year Olds by Census Tract for Chattanooga <sup>3</sup>

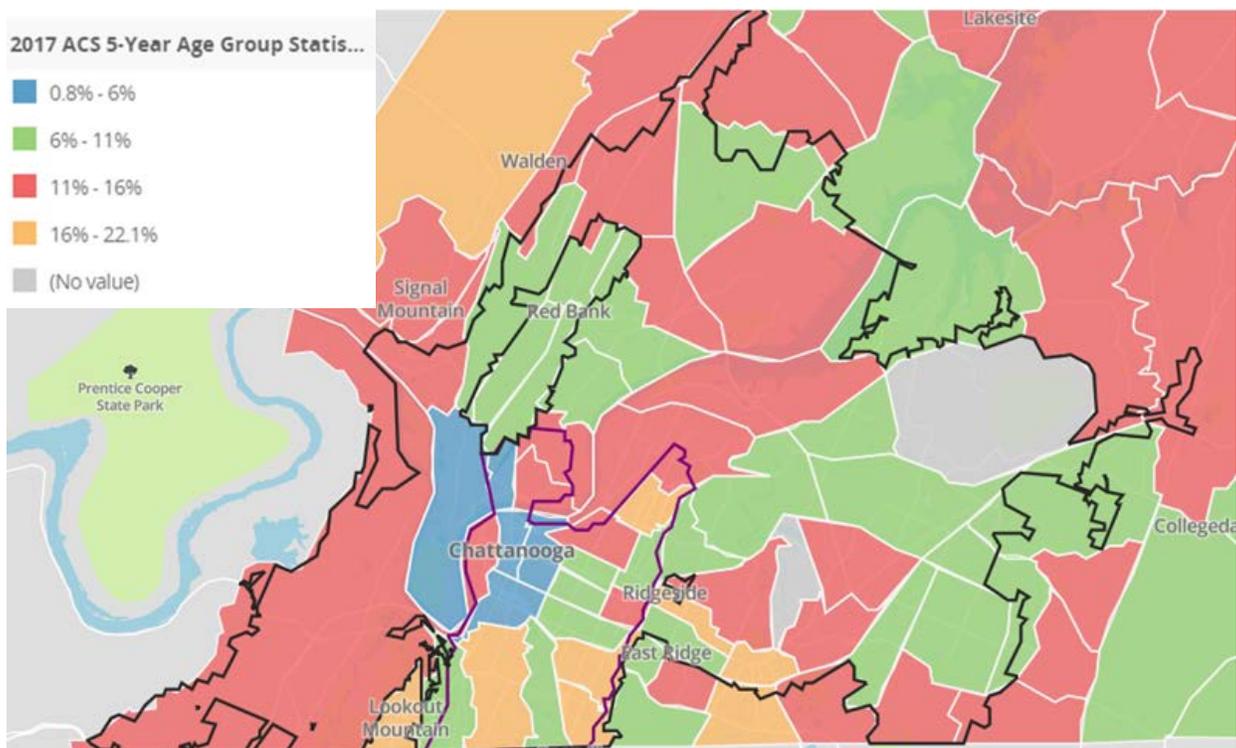


Table 3: Poverty Status in the Past 12 Months of Families in Hamilton County 2013-2017 ACS 5-Year Estimates <sup>3</sup>

Subject	All Families		Married Couples		Female Householder	
	Total	% Below Poverty	Total	% Below Poverty	Total	% Below Poverty
With related children of householder under 18 years	37,144	17.1%	24,533	7.5%	10,171	39.4%
Families with a householder who is White alone	67,920	6.9%	55,519	4.5%	8,797	20.4%
Families with a householder who is Black/African Amer. alone	14,737	23.3%	6,304	6.1%	7,288	38.7%
Families with a householder who is Hispanic or Latino Origin	3,357	27.1%	2,613	28.2%	378	39.2%
Householder education – Less than high school graduate	7,851	31.2%	4,133	21.5%	2,683	49.3%
Householder education – High school graduate	19,872	13.5%	14,106	6.3%	4,374	36.9%
Householder education – Some college, associate's degree	27,954	9.3%	19,985	4.0%	6,574	24.2%
Householder education – Bachelor's degree or higher	30,195	2.6%	26,112	1.9%	3,001	8.1%
Mean income deficit for families (dollars)	8,509	x	7,556	x	9,209	x
Owner occupied	63,729	3.7%	53,327	2.6%	7,596	11.4%
Renter occupied	22,143	27.7%	11,009	15.4%	9,036	43.2%

The census tracts with the highest rate of female head of household families are nearly all located within Chattanooga. This statistic also indicates that the rate of single parent families and likewise, poverty are also located within these census tracts. Census tracts with highest value (25-33.77%) are 19, 23, 25, 4, 122, and 123.

Figure 14: Percent Female Head of Household for Hamilton County by Census Tract <sup>3</sup>

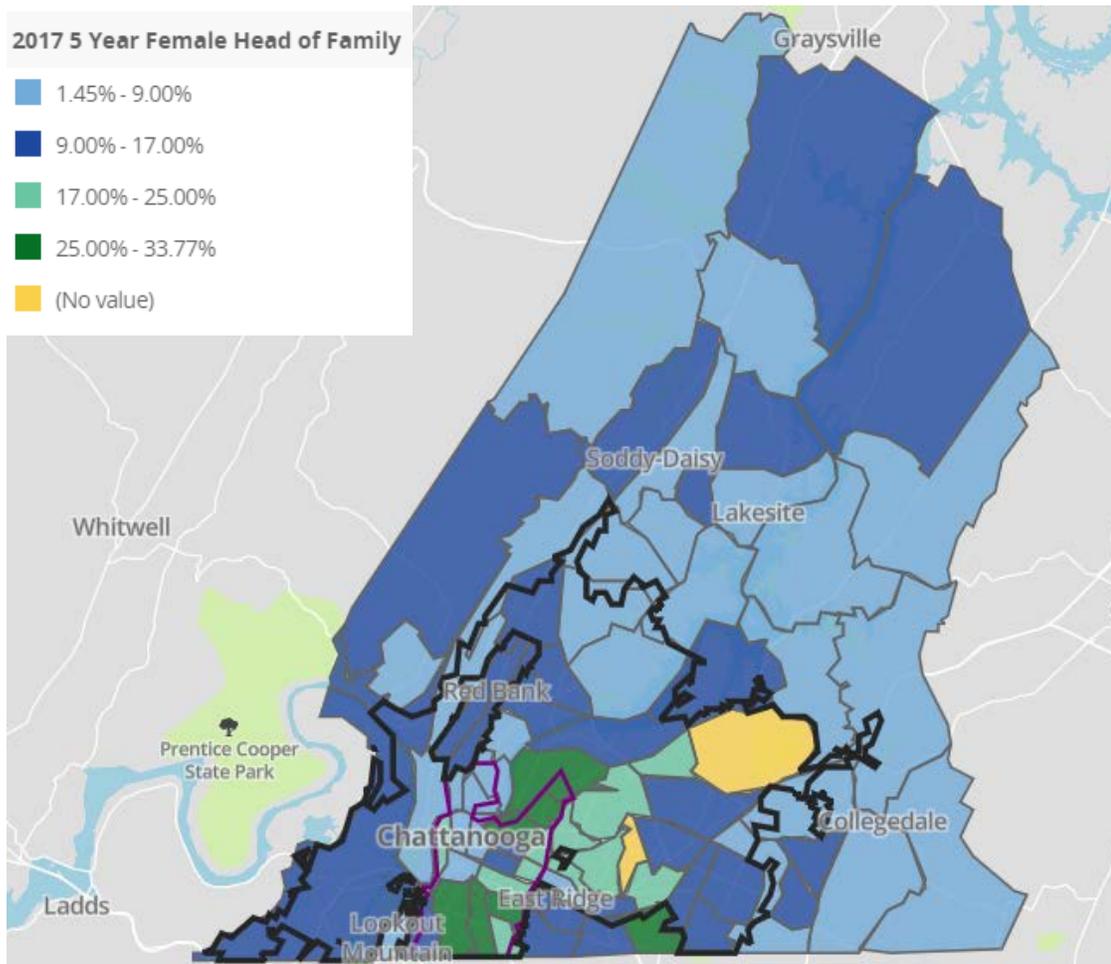
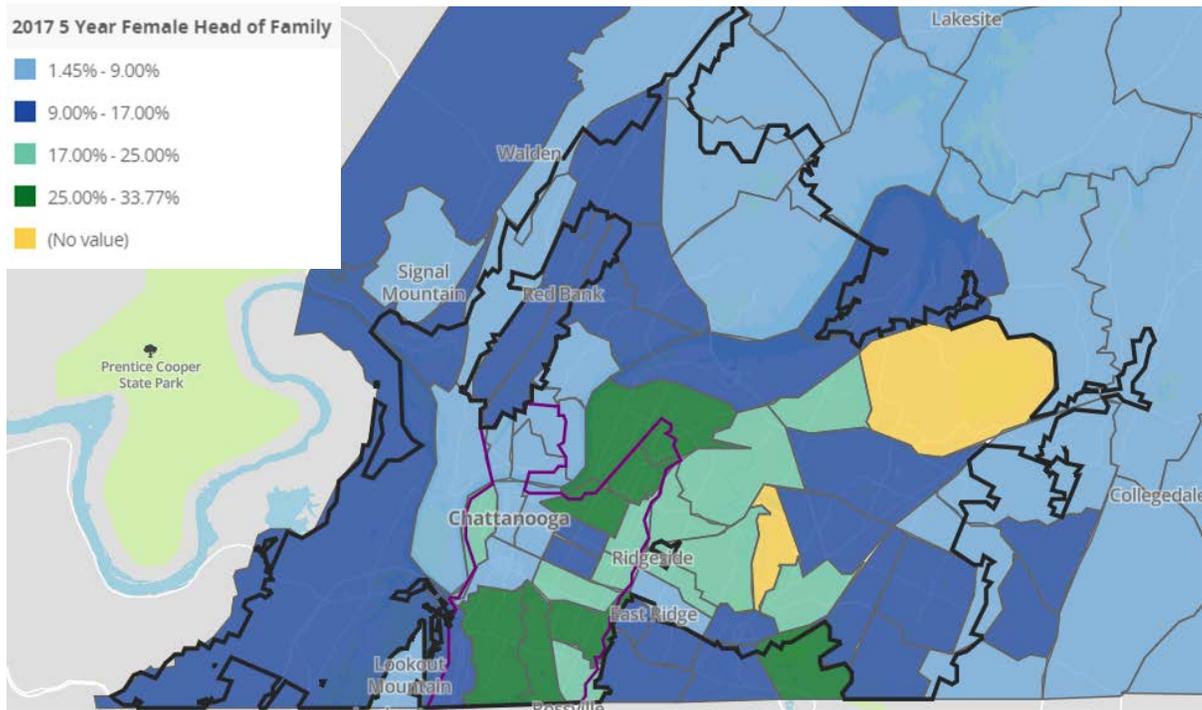
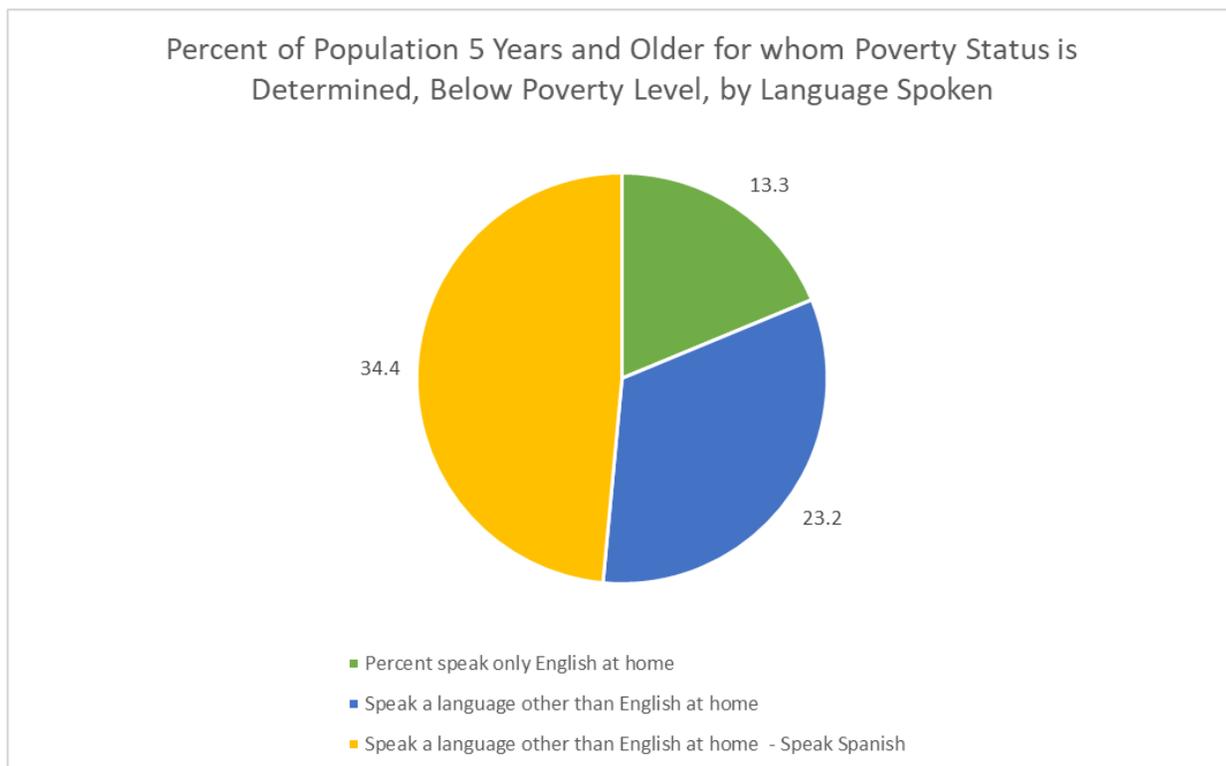


Figure 15: Percent Female Head of Household for Chattanooga by Census Tract <sup>3</sup>



The percentage of children who live below the poverty level are overwhelmingly children who speak a language other than English (86.7%), with Spanish-speaking kids holding the highest percent (34.4%). These statistics are alarming and demonstrate how poverty is disproportionate among races in Hamilton County.

Figure 16: Percent below poverty by language spoken <sup>3</sup>



## Race and Ethnicity

Hamilton County has an increasingly diverse population; however, the majority of the diversity is located within Chattanooga's city limits. Minority populations are concentrated, not only within the city limits, but overwhelmingly within the downtown area. Figure 19 shows the concentrations of minorities in Chattanooga. As you get out further into the county, the percentage of minorities drops greatly to single digits, and even some reporting zero minorities. All the census tracts that contain a significant number of minorities are located within Chattanooga.

When you look at the minority population for the 2017 ACS 5-Year and 2010 (Figure 19, 20), you can see that the concentration of minorities has increased in the South Chattanooga Area (Census Tracts 23, 24, and 26) and the East Ridge Area. Census tract 124, 28, 11, 13, and 20 saw a decrease in minority concentration, in some cases due to gentrification.<sup>3,32</sup> Some census tracts saw a decrease in minority concentrations, while neighboring ones saw increases, which may indicate some migration within the city. This trend appears to be exclusive to the urban core and the immediately surrounding areas, as the minority concentrations have not changed for the rest of the county, with the exception of the Collegedale area. Hamilton County saw no identifiable increase in minorities between 2010 and 2017, with the exception of the East Ridge and Collegedale areas. (Figures 17, 18)

Figure 17: Percent Minority by Census Tract for Hamilton County 2017 5-Year <sup>3</sup>

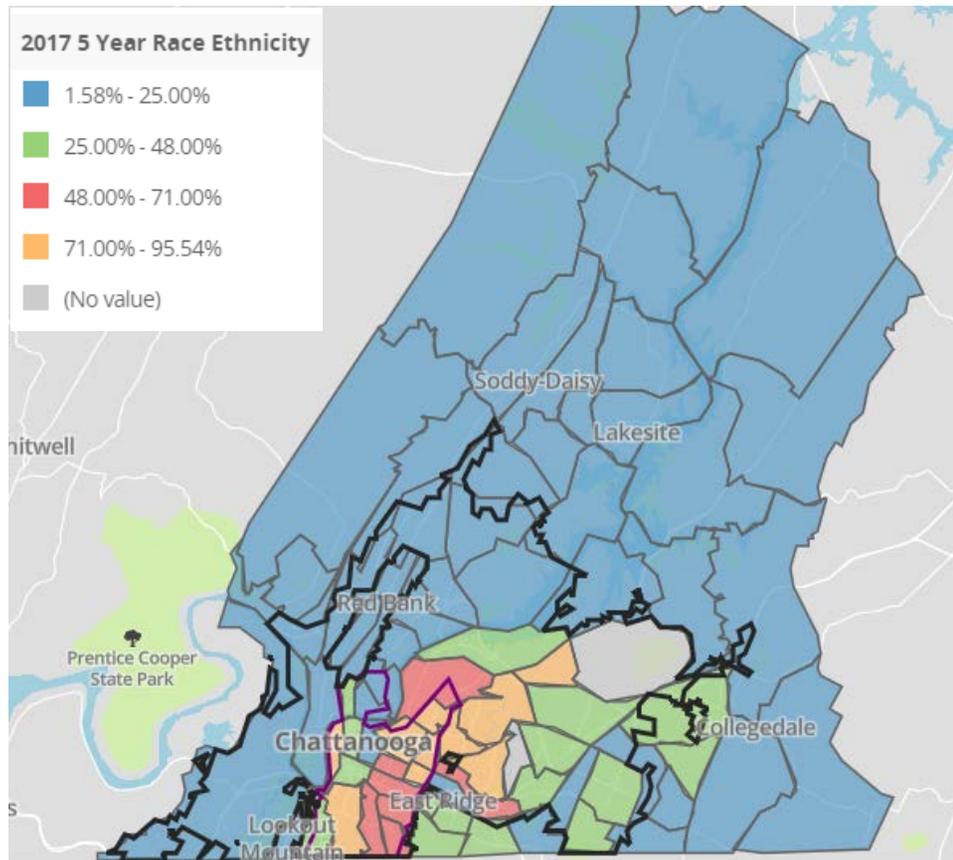


Figure 18: Percent Minority by Census Tract for Hamilton County 2010 <sup>32</sup>

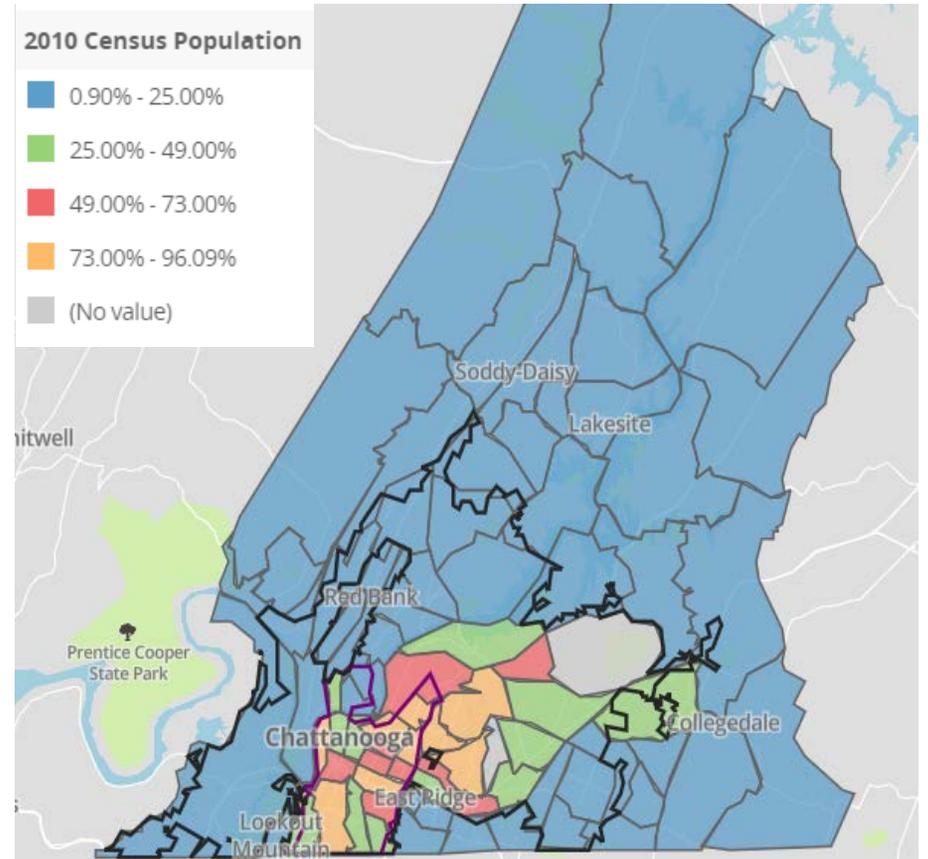


Figure 19: Percent Minority by Census Tract for Chattanooga 2017 5-Year <sup>3</sup>

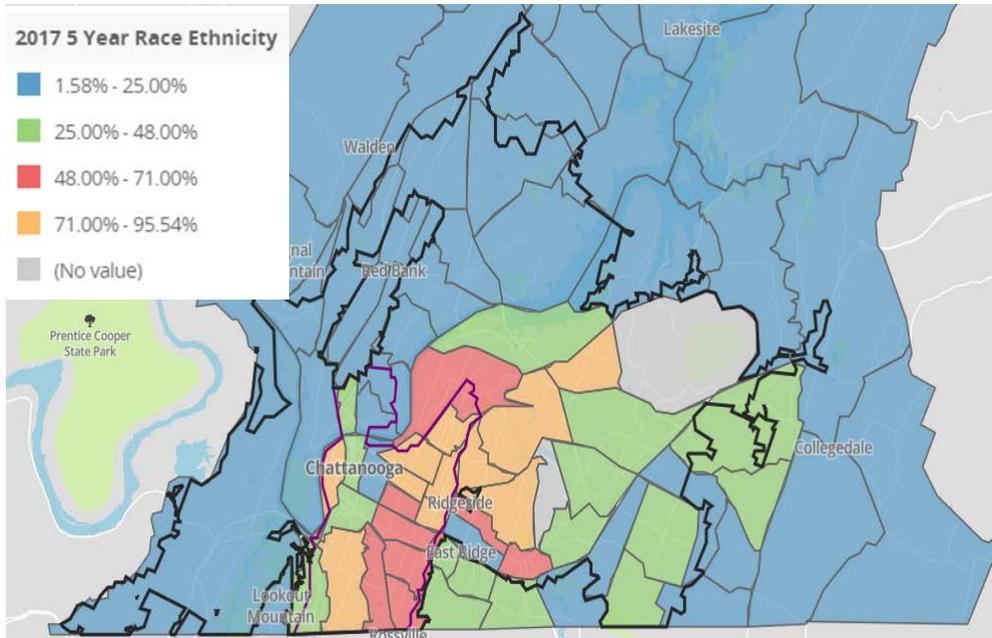
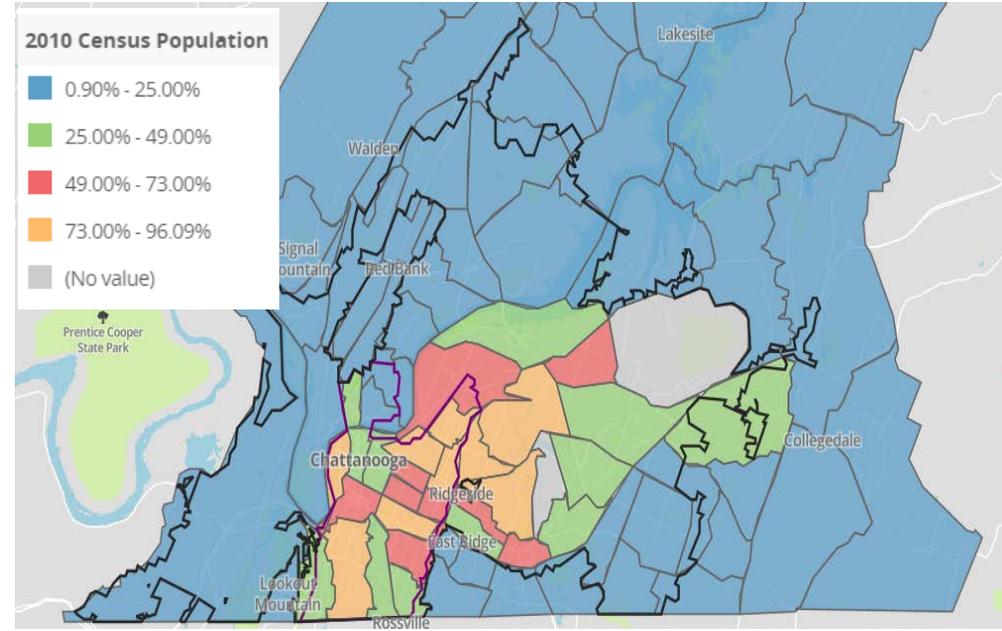


Figure 20: Percent Minority by Census Tract for Chattanooga 2010 <sup>32</sup>



When we take a closer look at Hispanics in particular, which is Chattanooga’s largest non-English speaking minority population, it becomes evident that the significant majority of Chattanooga’s Hispanic population is concentrated in census tracts 23, 24, and 30. While the East Ridge Area (census tracts 117 and 118), and Collegedale (census tract 34) hold additional significant concentrations for the county. (Figures 21, 22)

Figure 21: Percent Hispanic by Census Tract for Chattanooga 2017 5-Year <sup>3</sup>

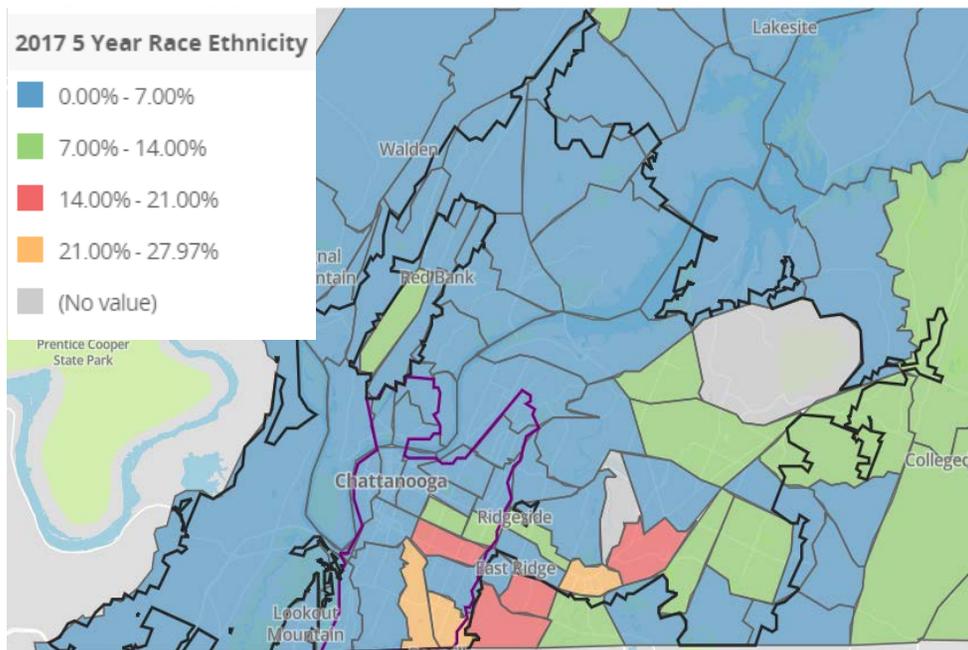
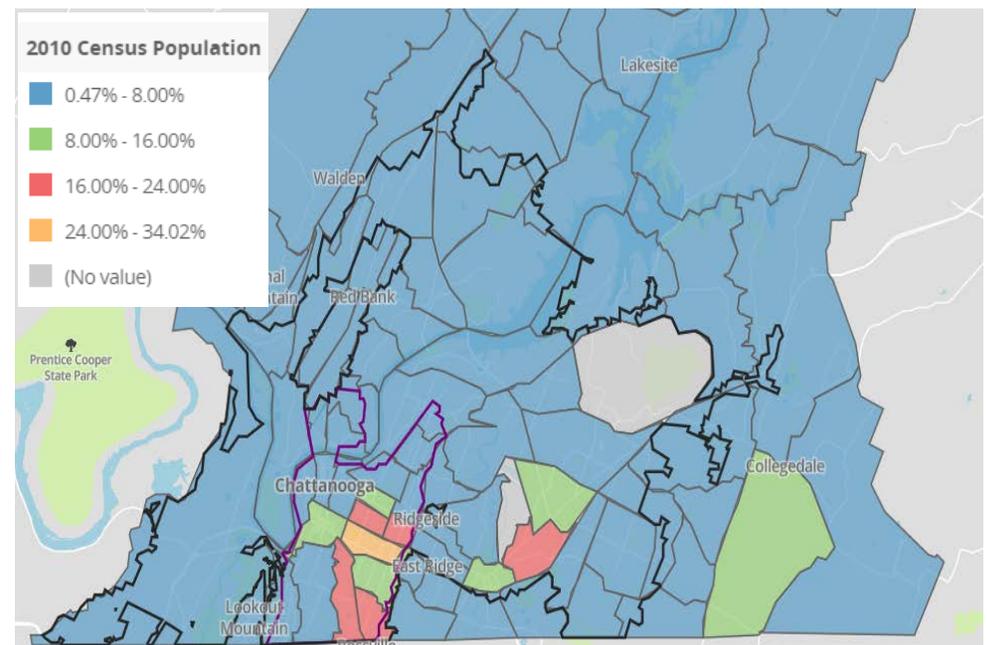


Figure 22: Percent Hispanic by Census Tract for Chattanooga 2010 <sup>32</sup>



In taking a look at the change in the Hispanic population over the last nine years, we can see a stark difference between the concentrations of Hispanics in 2010 and in the 2017 5-Year ACS. In 2010, there were more Hispanics in the Chattanooga city census tracts, while in 2017, the concentrations have shifted out of the city limits and into the East Ridge area and beyond. This may indicate 1) a more mobile population today than in 2010, and 2) increasing housing costs are driving out Chattanooga’s most vulnerable minority population. Hamilton County also saw an increase in the Hispanic population in areas in and around Collegedale, and Soddy Daisy between 2010 and 2017. (Figures 23, 24)

Figure 23: Percent Hispanic by Census Tract for Hamilton County 2017 5-Year <sup>3</sup>

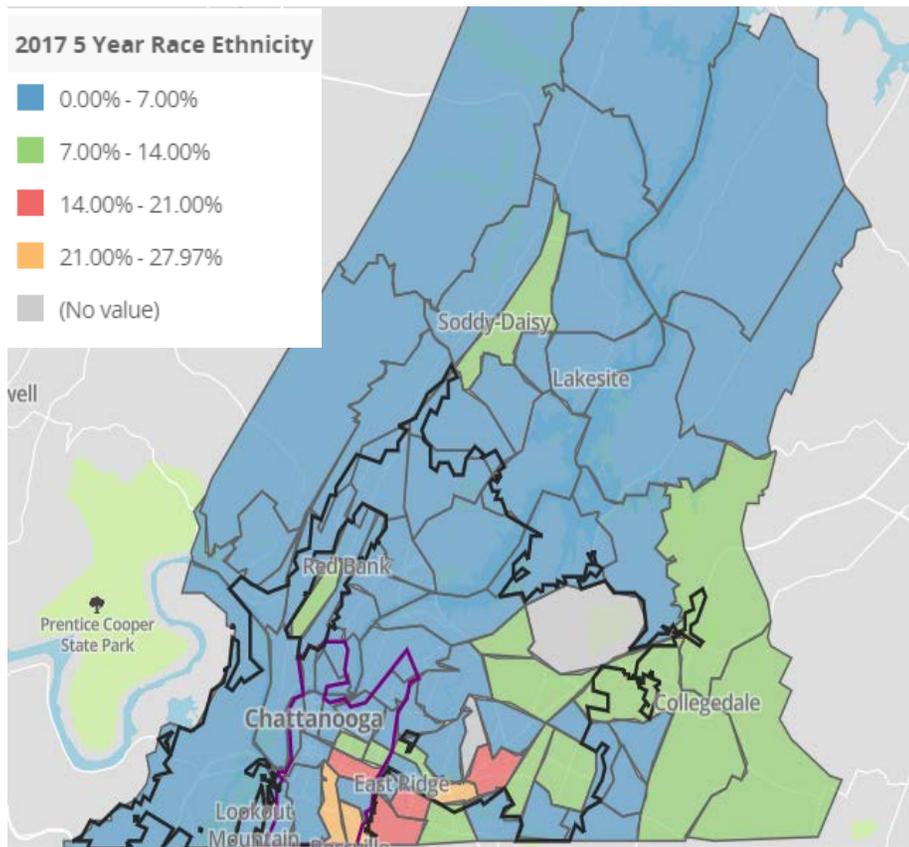
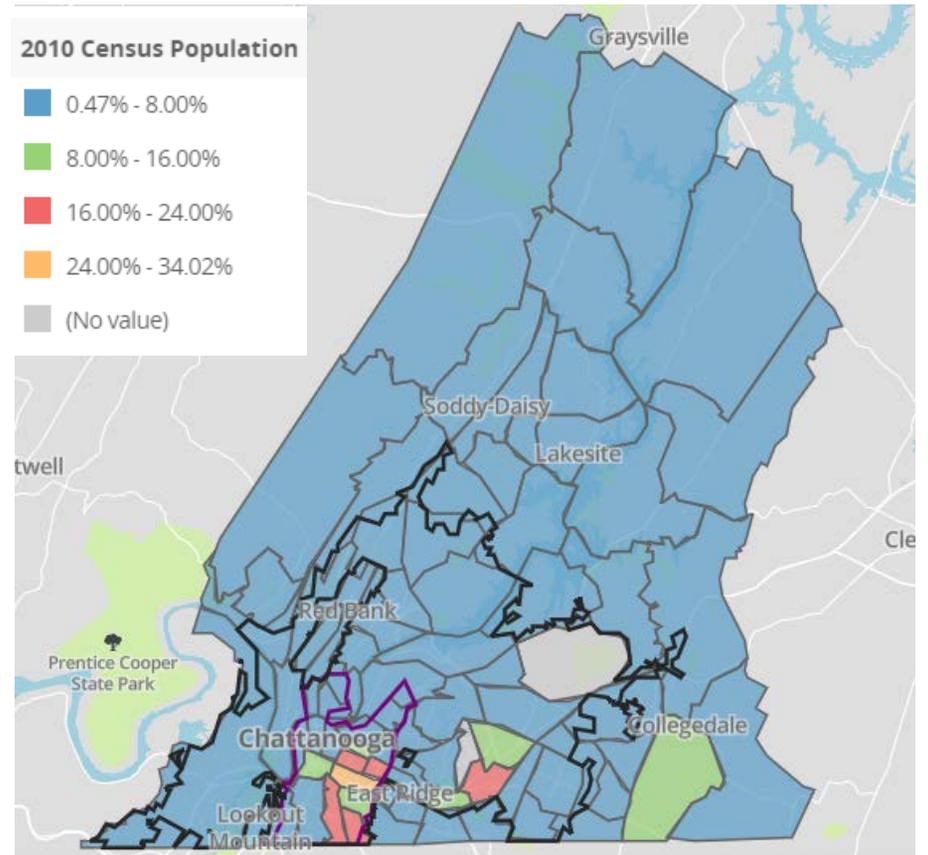


Figure 24: Percent Hispanic by Census Tract for Hamilton County 2010 <sup>32</sup>



## Housing Supply

Housing is a cornerstone to the success of a person. Stable housing leads to better employment, higher school achievement, and more stable families. It can increase chances for employment or self-employment. It is deeply linked with school attendance and thereby graduation rates of students. Families are stable when they have a consistent home to return to every night, and a place to call their own. Housing can come in the form of homeownership or rental housing, but the key is to have safe, decent housing for all of Hamilton County's residents.

Of the numerous housing studies done on the County, over and over one thing rises to the top over all others: the need for affordable rental housing. Rental housing is needed for all levels of low and moderate income, but housing that caters to those people that fall in the 0-50% of AMI is in short supply. Between public housing, Section 8 vouchers, and housing supported with HOME and CDBG funds, there is more and more housing that is affordable for those above 50% AMI.

According to the report, *Bridging the Gap: Affordable Housing and Workforce Strategies* prepared by the National Resource Network Team, many renters have housing costs that exceed 35% of their income. Many of those who are 51-80% AMI pay more than 50% of their income in housing costs. While there is are enough housing units at these levels, they are not accessible to those in need of affordable housing because nearly a third of these units are occupied by people with higher incomes.<sup>33</sup>

However, we recognize that while the desire for rental housing is increasing, not all of the County's residents want to rent, and therefore there should be an appropriate amount of affordable homeownership opportunities available. It's also important that not only should there be housing available, but there should also be housing choice available. This choice should include a variety of housing types and options, locations of affordable housing, and price ranges. Not only should these choices be available, but they should be available to all of our residents, regardless of income, race, nationality, sex, gender identity, sexual orientation, or religion.

## Homeownership

The majority of the county's homeownership is concentrated outside of Chattanooga. (Figures 25, 26) All the census tracts with the lowest homeownership rates are found within Chattanooga. When you compare the poverty rates with homeownership rates by census tract, there appears to be a pattern of lower poverty rates, higher homeownership rate. For the majority of the R/ECAP tracts, the homeownership rates are quite low, indicated as blue or green, with the exception of tract 14, which has a homeownership rate of 49-73%. (Figures 27, 28)

Figure 25: 2017 5-Year Homeownership Rates by Census Tract for Hamilton County <sup>34</sup>

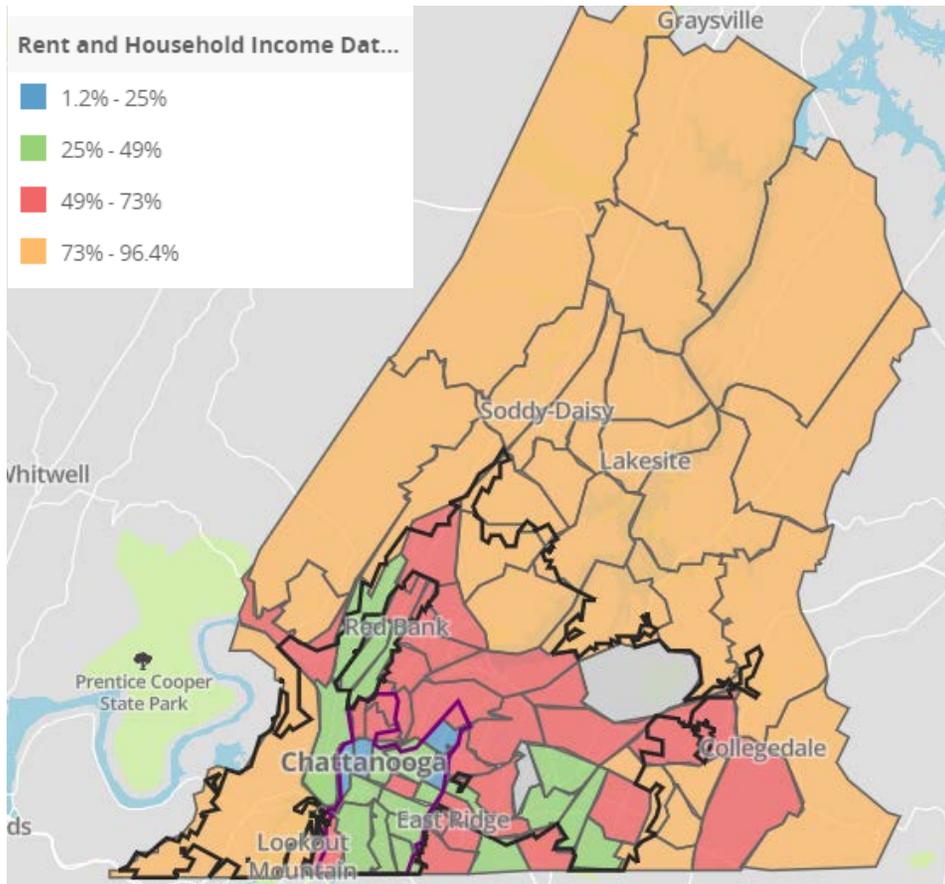


Figure 26: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>

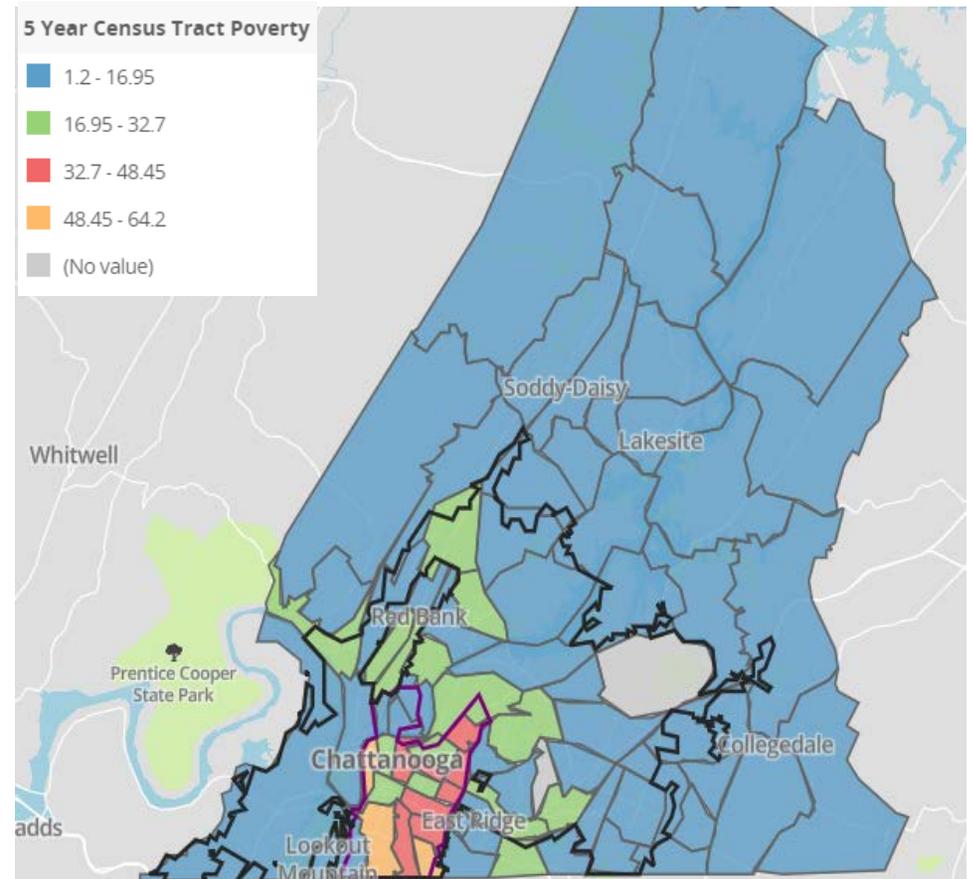


Figure 27: 2017 5-Year Homeownership Rates by Census Tract for Chattanooga <sup>34</sup>

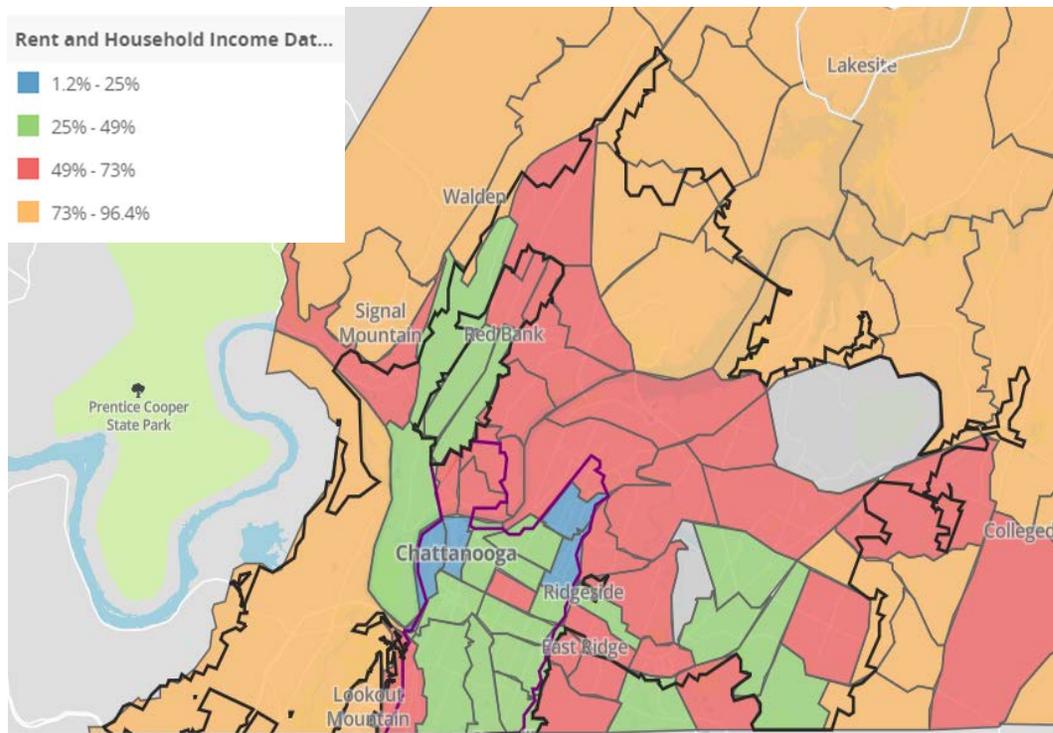
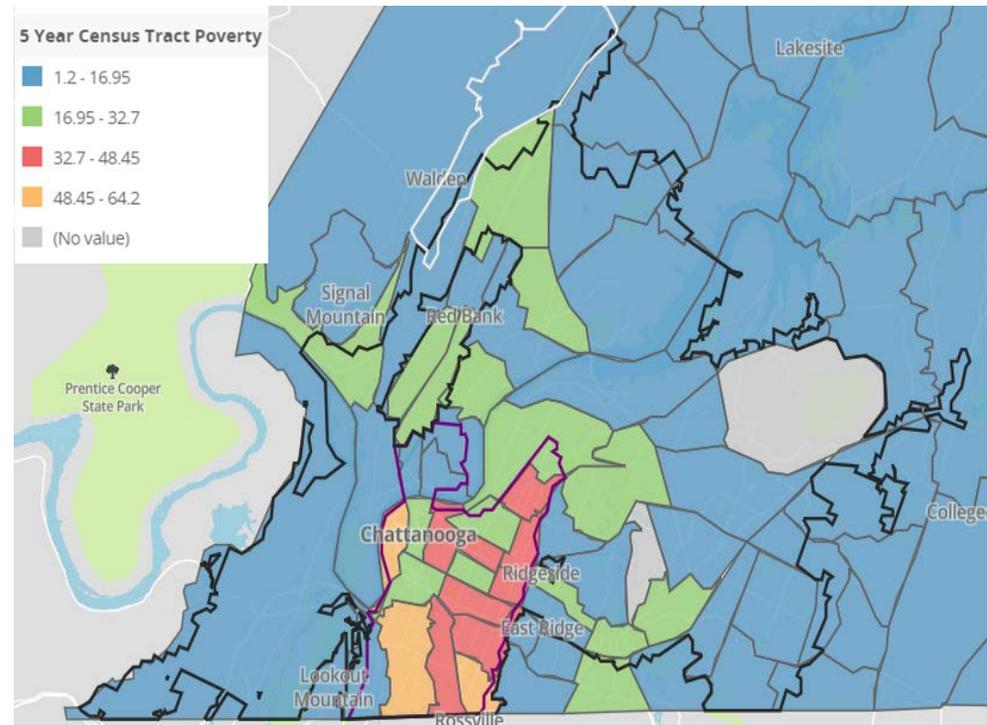


Figure 28: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>



The overwhelming majority of single-family homes occur outside of Chattanooga, in the county areas. (Figures 29, 30) This is expected as the need for multi-family housing should be less, in line with the lower poverty levels in those areas. In the city and the closely surrounding areas is where we see housing that doesn't classify as single family.

In some census tracts, especially where poverty is high, there is a high rate of single-family homes, but a low homeownership rate, which leads to the conclusion that there is a large stock of single family rentals in those areas, where there had once been more significant homeownership rates. This is especially true in the R/ECAP areas (indicated in red and purple), indicating significant rental housing of single family homes in these areas. (Figures 31, 32)

Figure 29: Percent Single Family Homes by Census Tract for Hamilton County <sup>35</sup>

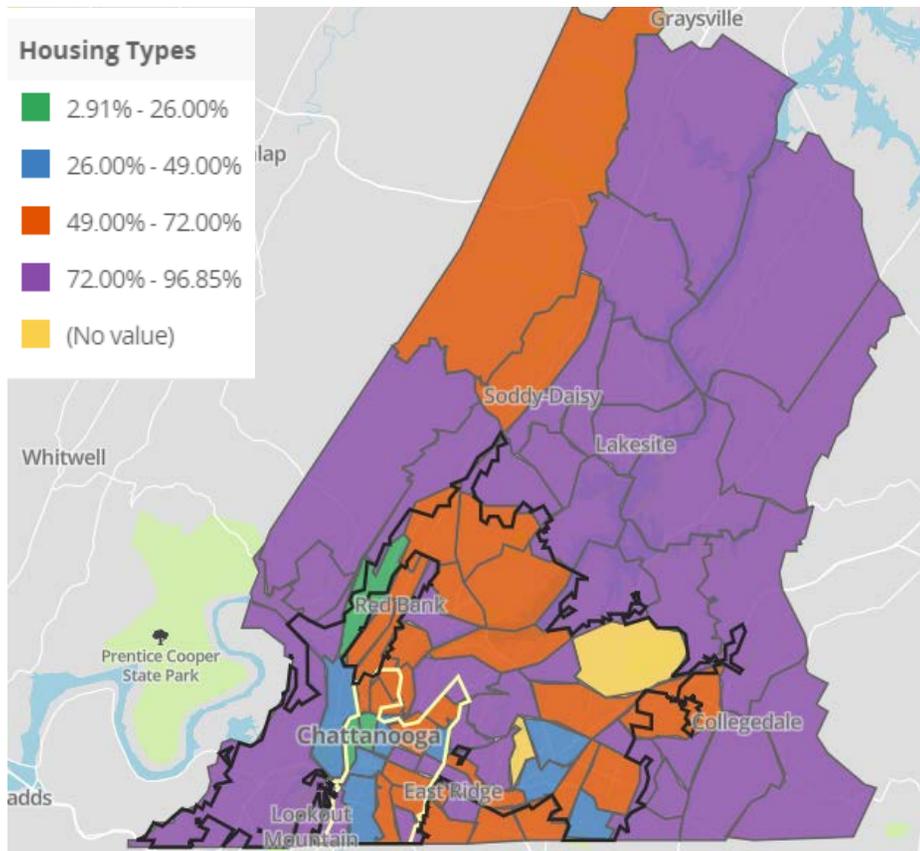


Figure 30: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>

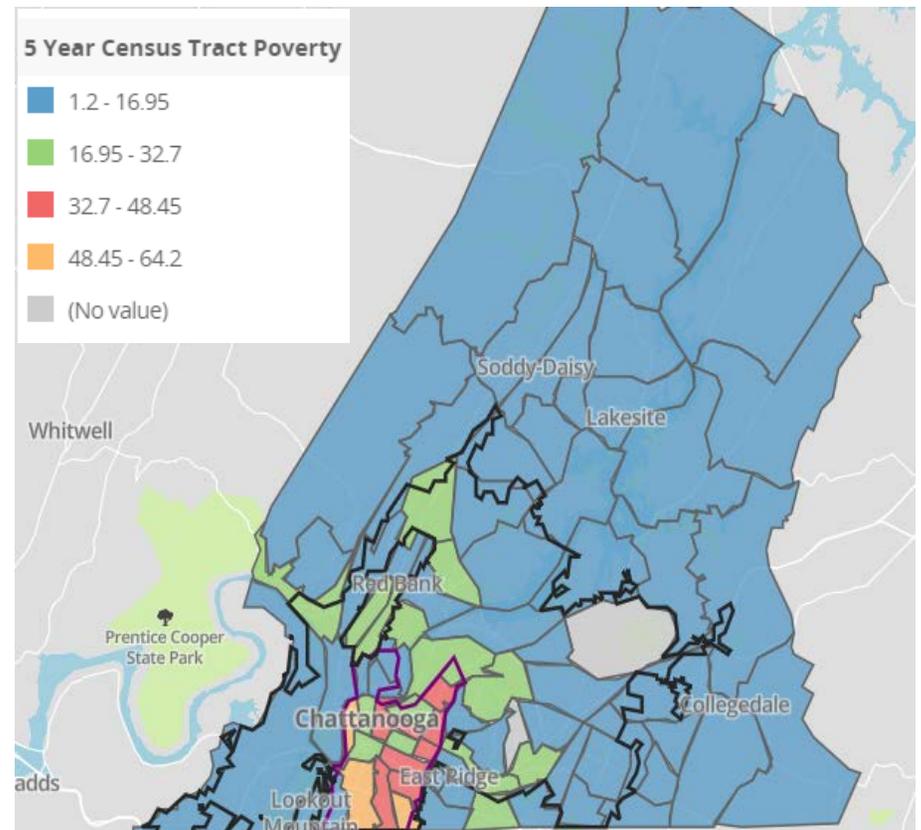


Figure 31: Percent Single Family Homes by Census Tract for Chattanooga <sup>35</sup>

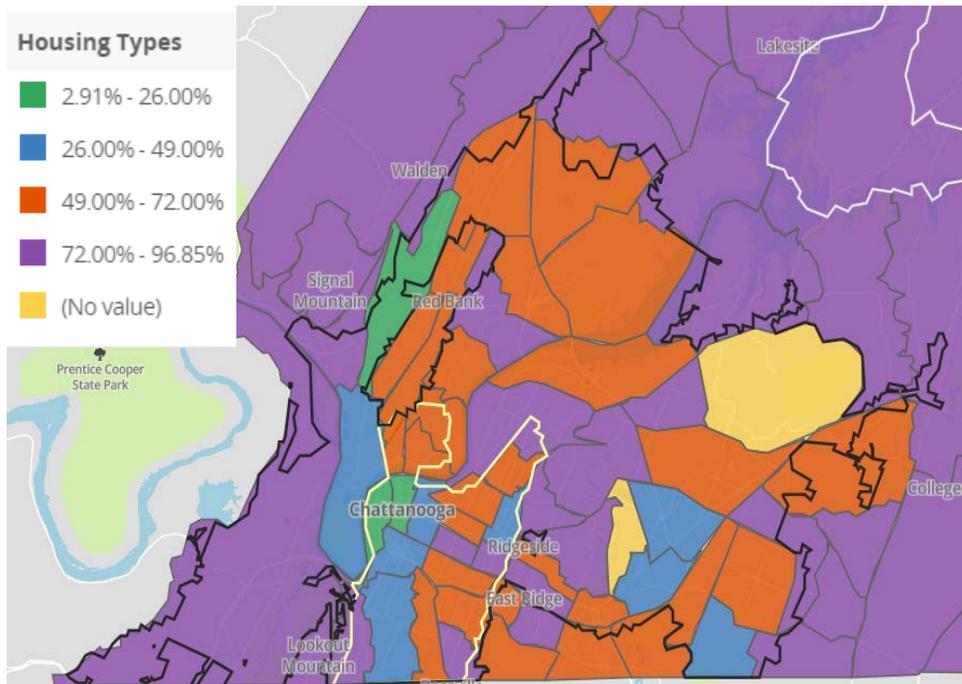
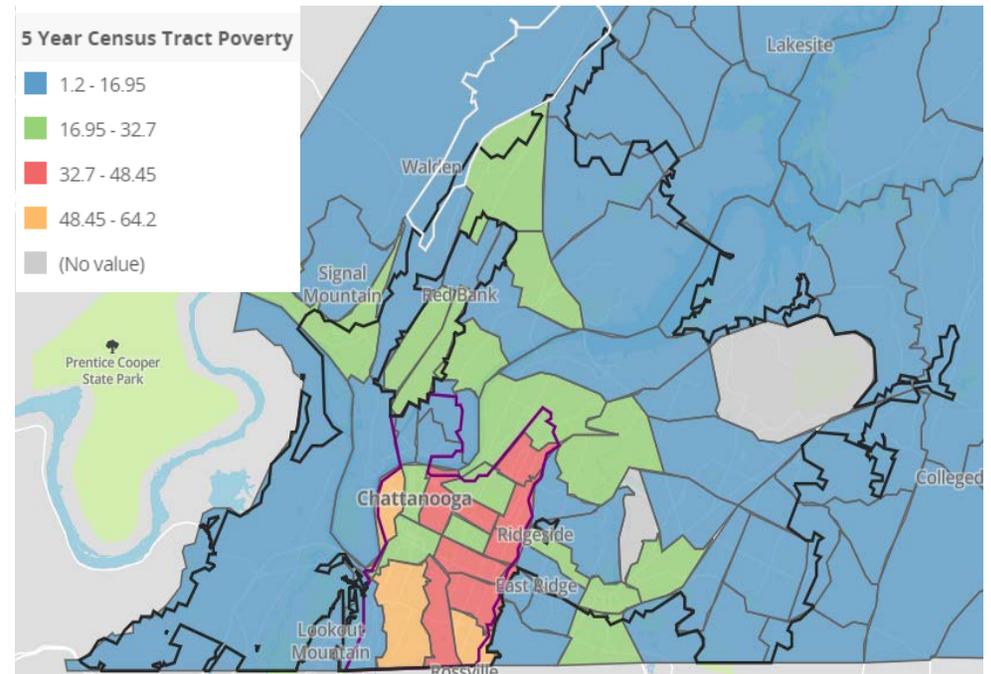


Figure 32: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>



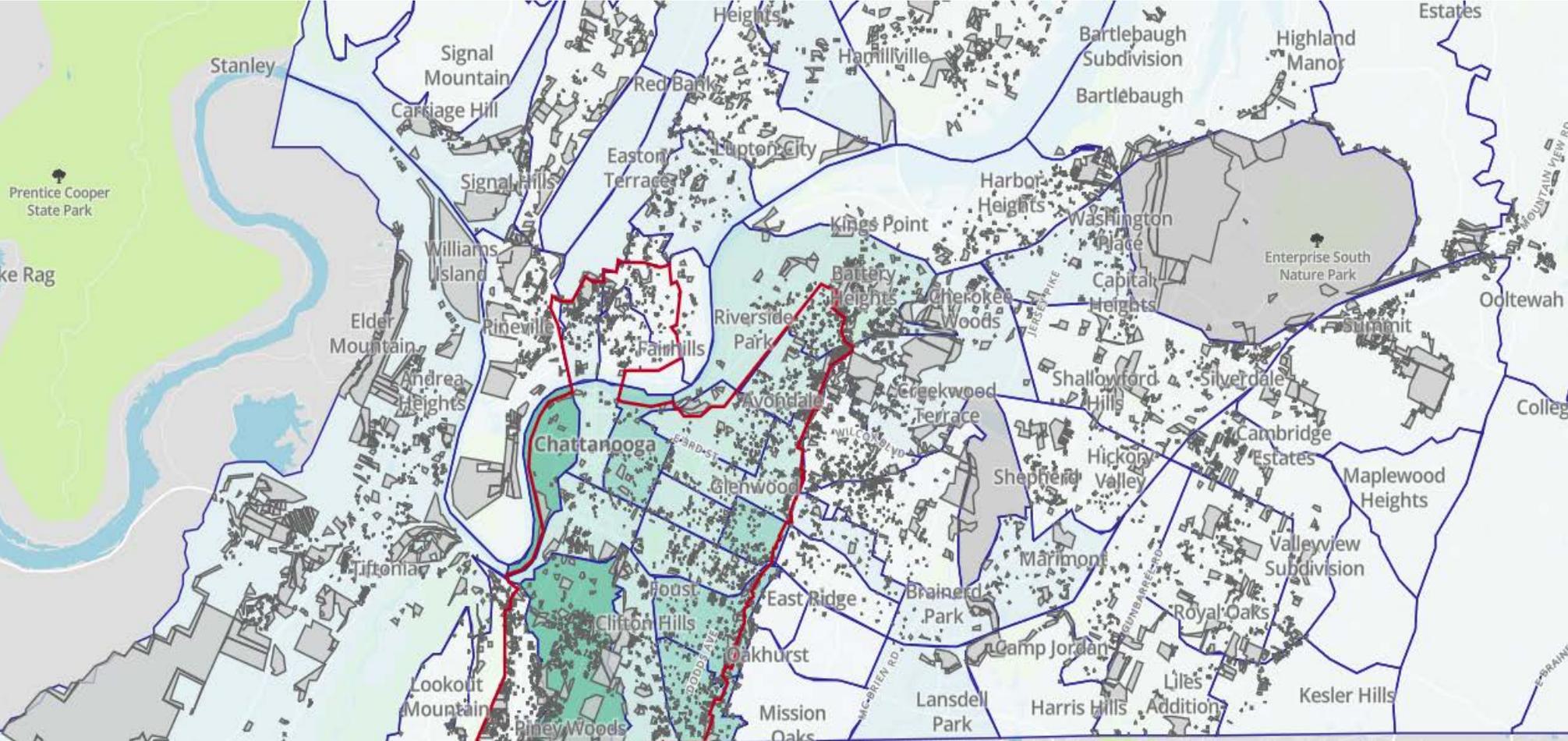
## Homeownership Issues:

Issue 1: Homeownership rates are low in R/ECAP areas, even with a significant number of single family homes.

Issue 2: Most housing units are single family homes, limiting housing options for households in need of smaller units, including very low income households, persons with disabilities, and seniors.

A large number of vacant properties combined with poverty often indicates a distressed neighborhood. We see high vacancy in most of the R/ECAP census tracts, particularly in the southern portion of the city near Oak Hill and Clifton Hills. Utilizing vacant properties is one way to help increase the stock of affordable housing. Chattanooga has vacant properties scattered throughout the city. Figure 33 shows the locations of all the vacant properties identified within the City of Chattanooga.

Figure 33: Vacant Properties and Percent below Poverty Line by Census Tract



## Rental Housing

Rental housing for the Hamilton County is at its highest in Chattanooga and the lower half of the county. (Figures 34, 35) In Chattanooga, the highest rates of rental housing does not always occur in the highest poverty locations. There is a good mix of market rate and affordable housing, however, due to land values in the downtown and suburban areas, affordable housing of all kinds is still pretty much limited to low income census tracts. (Figures 36, 37) Furthermore, what market rate housing is developed in these areas is highly unaffordable to the residents in that census tract, leading to a slow gentrification of certain areas including, MLK and Highland Park.

As we look at the rental rates in the R/ECAP areas, we see that the occurrence of rental housing is extremely high, in most cases, falling between the 52-76% range, and some tracts (12, 16, and 122) are in the 76-98.8% rental housing range.

Figure 34: Percent Renter Occupied Units in Hamilton County <sup>35</sup>

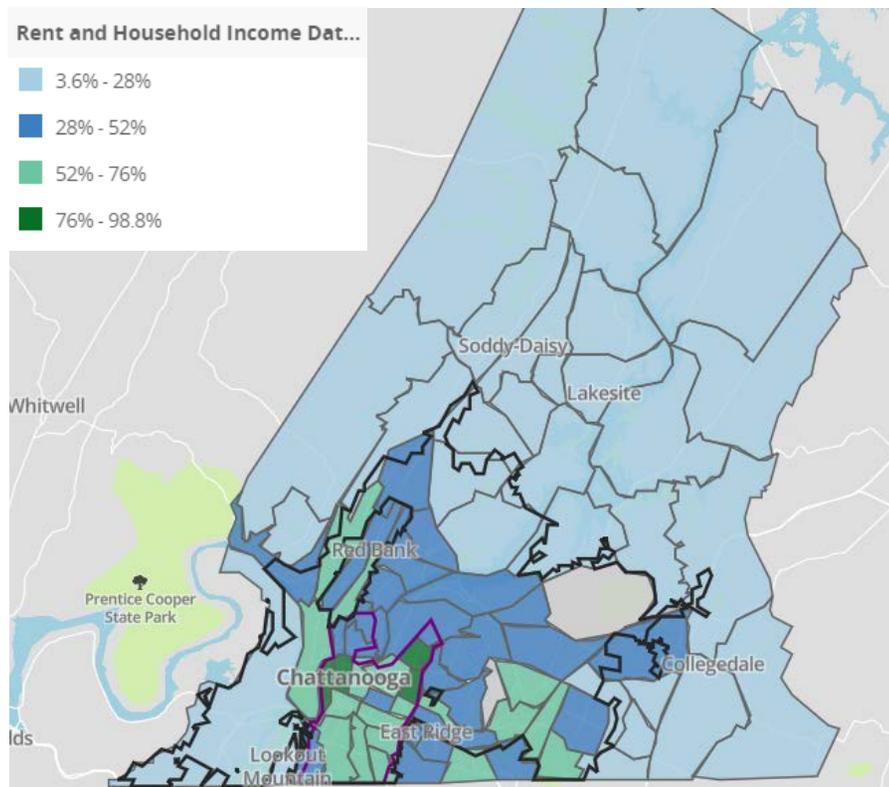


Figure 35: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>

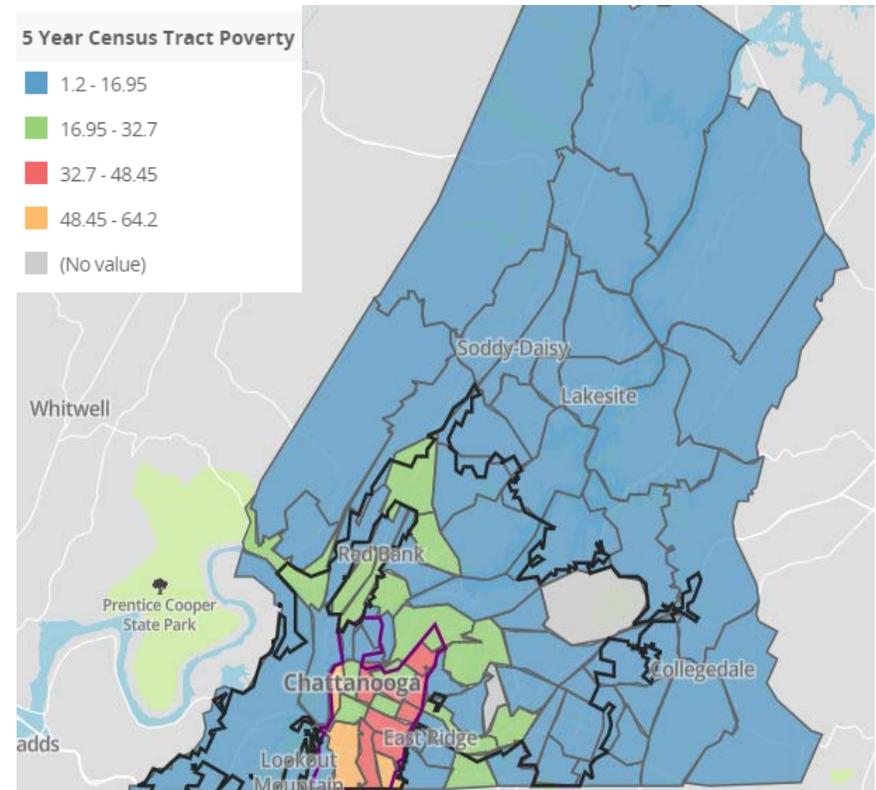


Figure 36: Percent Renter Occupied Units in Chattanooga <sup>35</sup>

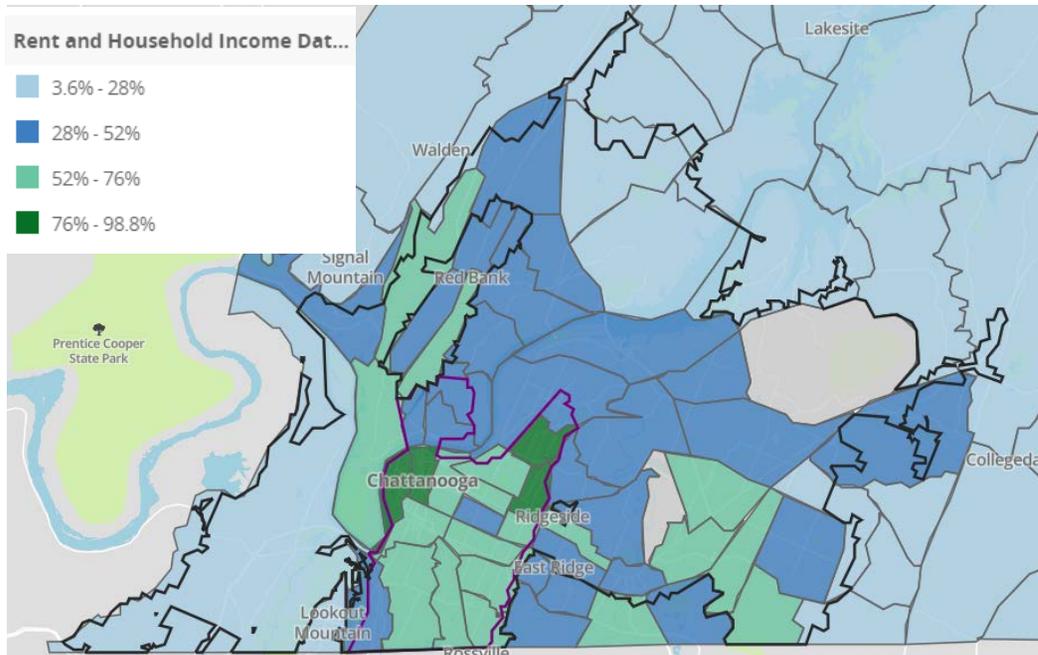
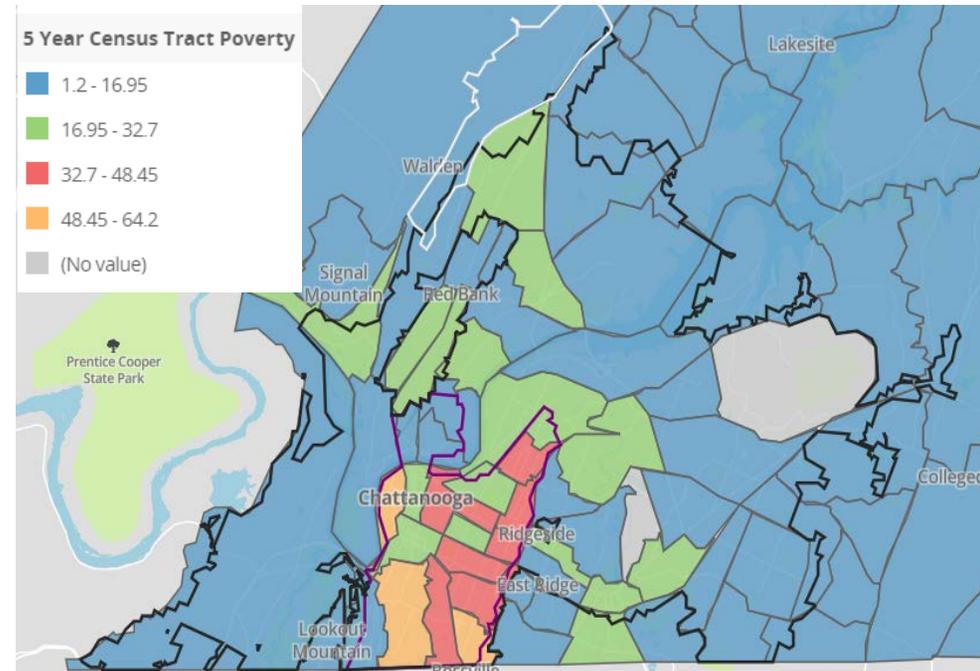


Figure 37: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>



A growing challenge for Chattanooga residents is the increased cost of housing. One measure is “cost burden,” defined as a household paying more than 35% of their income on housing. The cost burden of housing is prevalent all over Hamilton County (Figures 40, 41) and for the entirety of Chattanooga. (Figures 38, 39) With the exception of a few census tracts, more than 20% of households are cost burdened. The urban core has predominantly more than 40% of the population being house burdened. In Chattanooga, census tracts 19 and 23 have the highest rate with more than 60% of the people being housing burdened. When you look at the data with respect to the R/ECAP areas, we see that the majority of these areas are extremely house burdened, with the majority of the area having housing costs that met or exceeded 40% of their income.

Figure 38: Housing Costs over 35% of Household Income for Rental in Chattanooga <sup>36</sup>

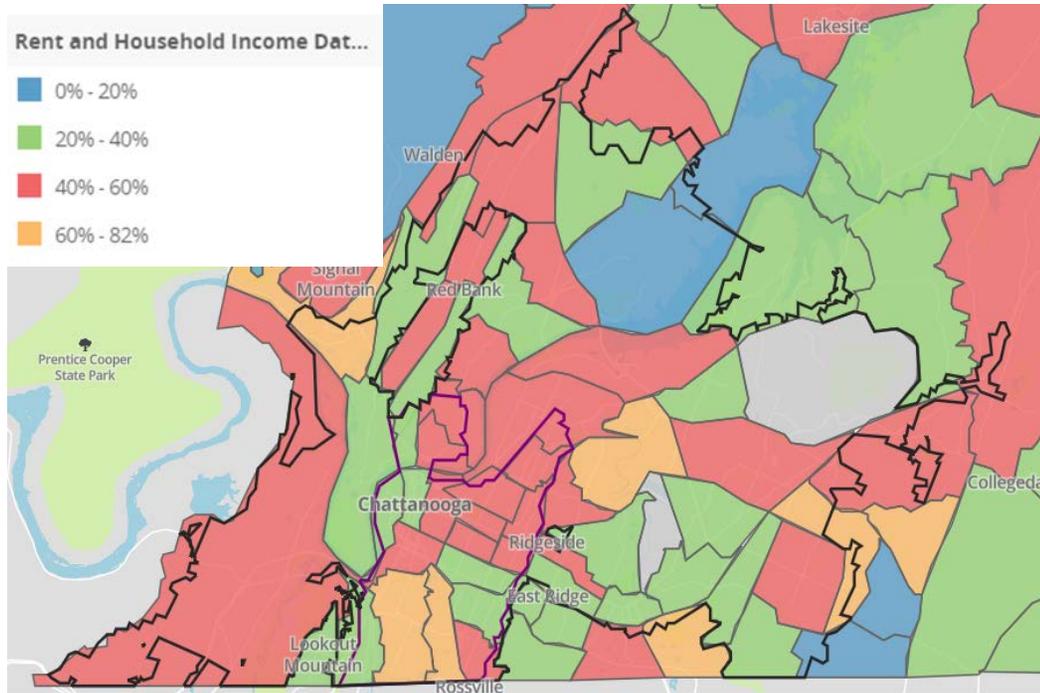


Figure 39: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>

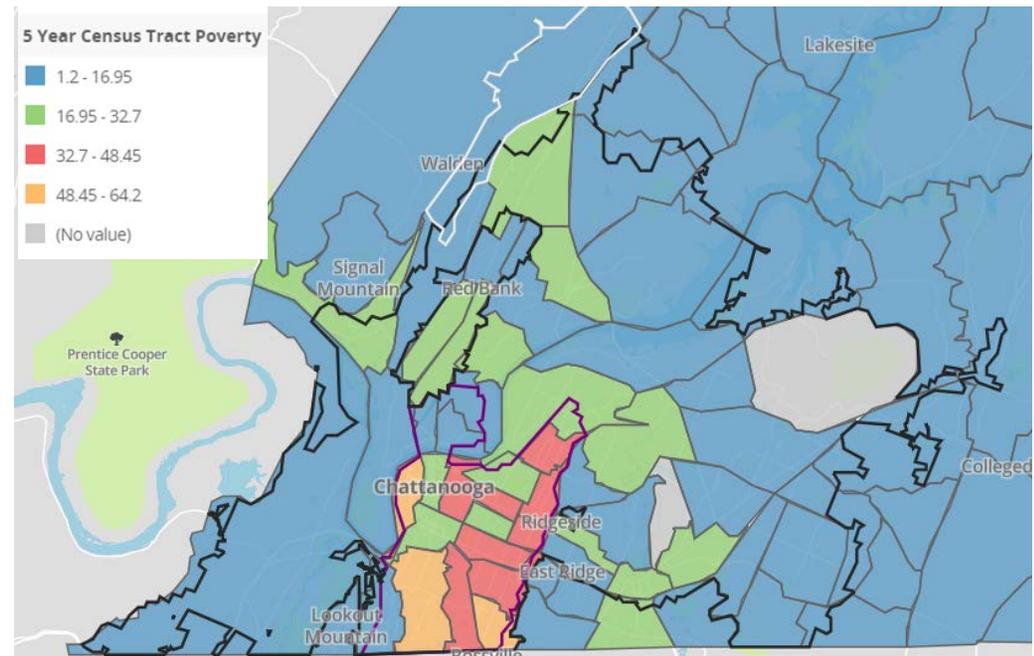


Figure 40: Housing Costs over 35% of Household Income for Rental in Hamilton County <sup>36</sup>

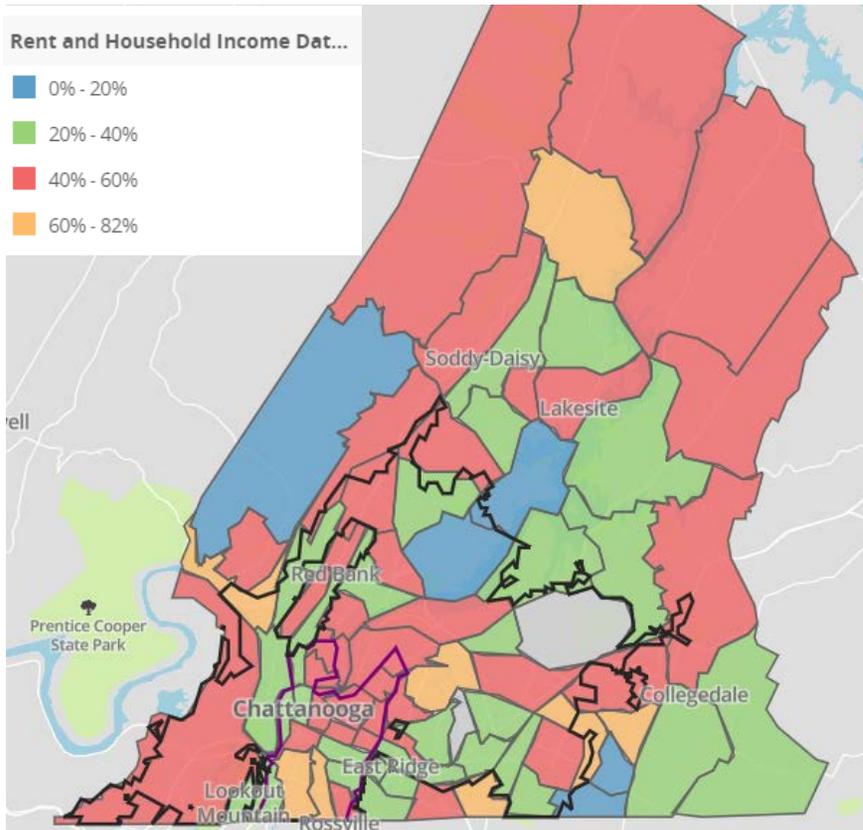
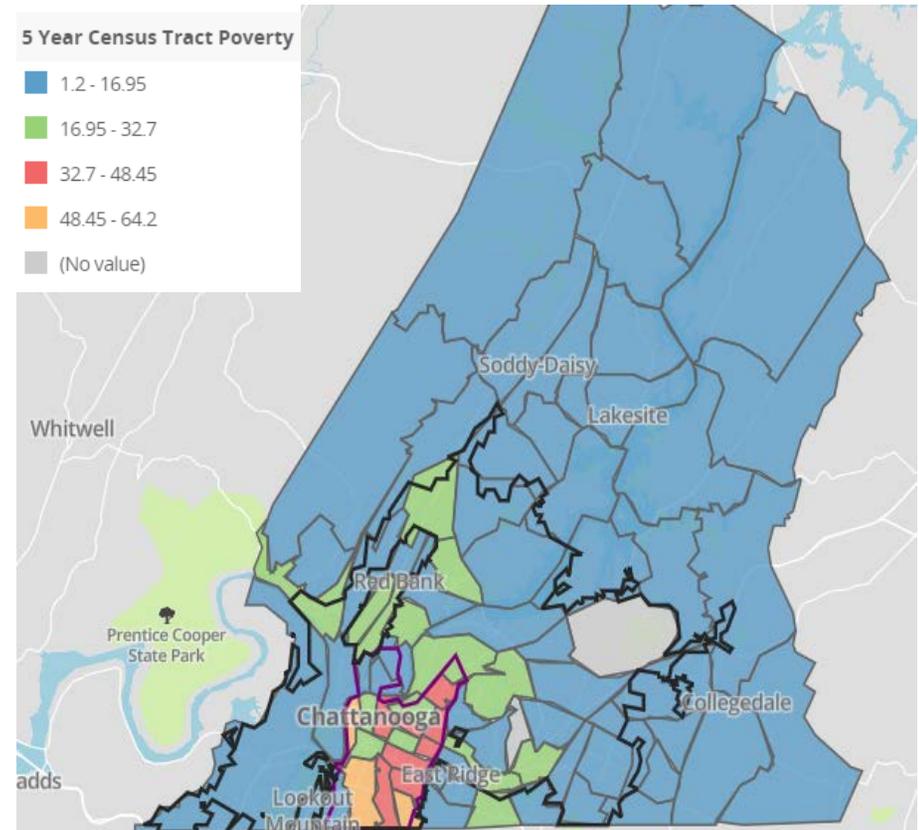


Figure 41: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>



The above statistics for housing costs take into account mortgage or rent, second mortgages or equity loans, real estate taxes, homeowners insurance, condo fees, mobile home cost, and utilities. However, it does not take into account transportation costs that an individual is required to carry by default if living in their area.

### Rental Housing Issues:

**Issue 1:** Affordable rental housing is concentrated in certain areas, particularly in R/ECAP Census Tracts 16 and 31, where more than 90% of homes are rented.

## Housing Condition

Homes that lack basic plumbing and kitchen facilities are disproportionately located within city limits, with one out of every hundred homes lacking basic kitchen facilities (sink, oven and refrigerator) in Chattanooga, compared to 0.3%, or 3 out of every thousand homes, in areas of Hamilton County outside city limits. Much of this disparity can be attributed to the age of home (older homes are concentrated within the city) combined with limited investment in upkeep due to low property values and poverty in the city's poorer neighborhoods (which coincide with R/ECAP areas). For the R/ECAP census tracts, there is a high level of pre 1960 homes, ranging from 23% to 86.29%. Not only do these statistics mean that there is a greater need for rehabilitation projects, but that there is a greater risk for health concerns with residents of these homes

With respect to decent housing, the 2017 5-Year ACS states that of the 71,190 occupied units in Chattanooga <sup>35</sup>:

1. 198 lack adequate plumbing facilities
2. 913 lack complete kitchen facilities
3. 1,594 have no telephone service available

For Hamilton County, The numbers look like this for the 139,037 occupied units <sup>35</sup>:

1. 322 lack adequate plumbing facilities
2. 1,103 lack complete kitchen facilities
3. 2,695 have no telephone service

Aging housing stock is a concern for Chattanooga. A year and a half ago, the city received a Lead Based Paint Hazard Reduction Grant to address the lead hazards related to our aging housing stock. As you can see in these maps, there are a fair number of pre-1960 homes throughout Chattanooga, ranging from 23% of the homes upwards to nearly 86% of the homes. (Figures 44, 45) Interestingly, as you move away from Chattanooga and the immediately surrounding areas, the occurrence of pre-1960 homes drops to below 23% of the housing stock. (Figures 42, 43)

Figure 42: Percentage of Homes Built Before 1960 (ACS 2017 5-Year) for Hamilton County <sup>37</sup>

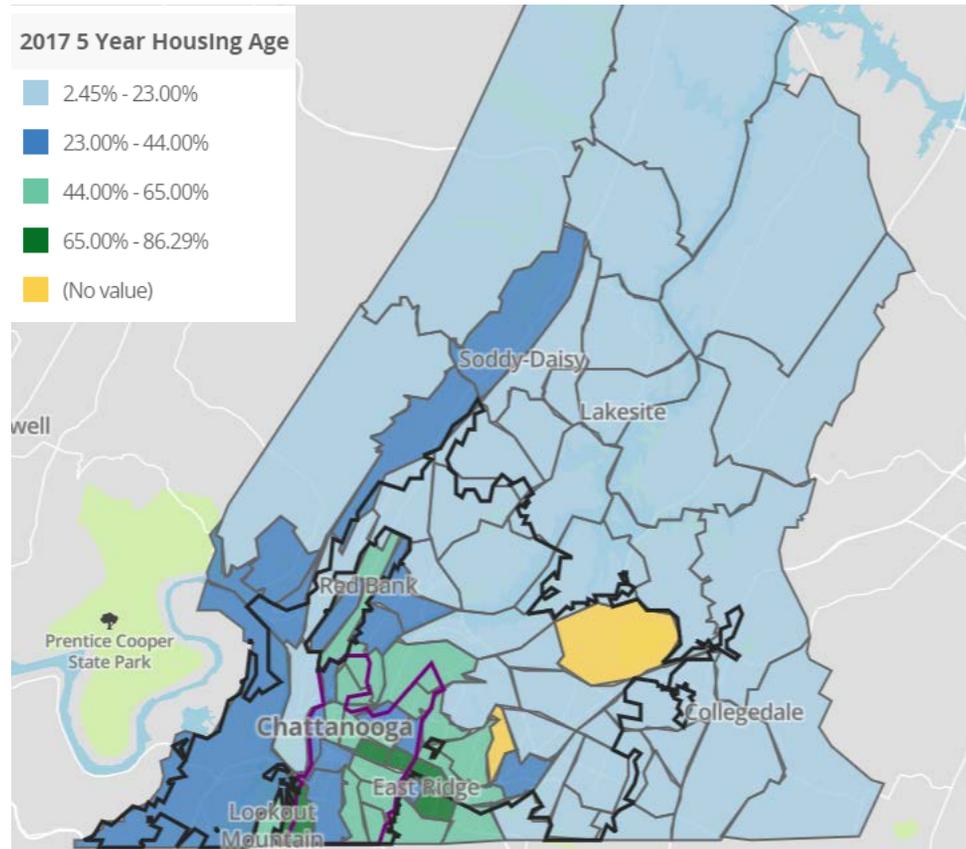


Figure 43: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>

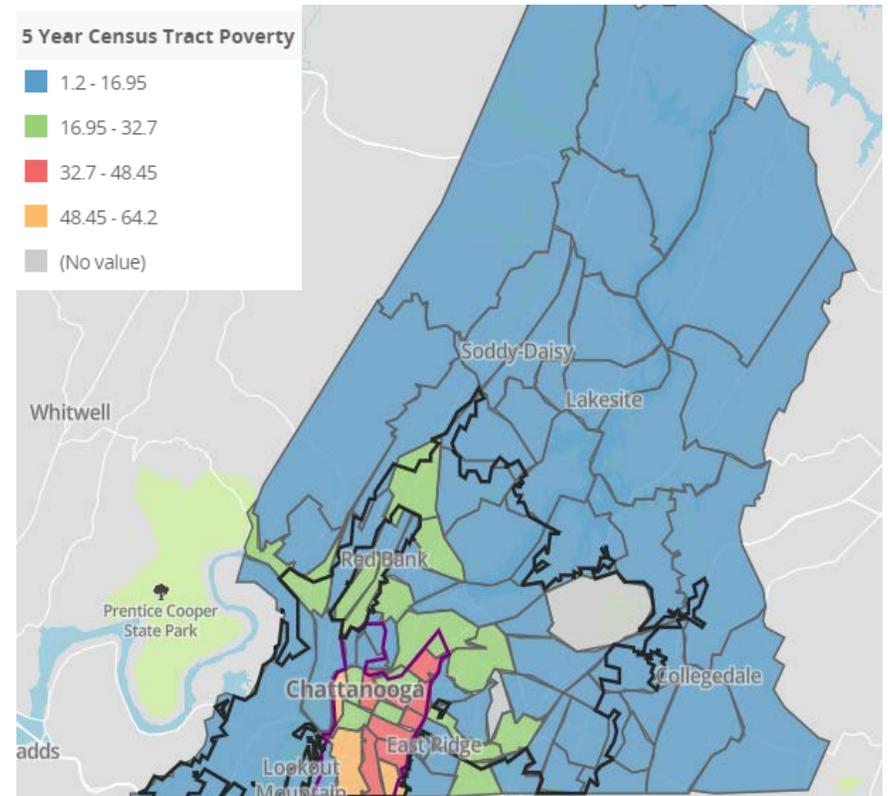


Figure 44: Percentage of Homes Built Before 1960 (ACS 2017 5-Year) for Chattanooga <sup>37</sup>

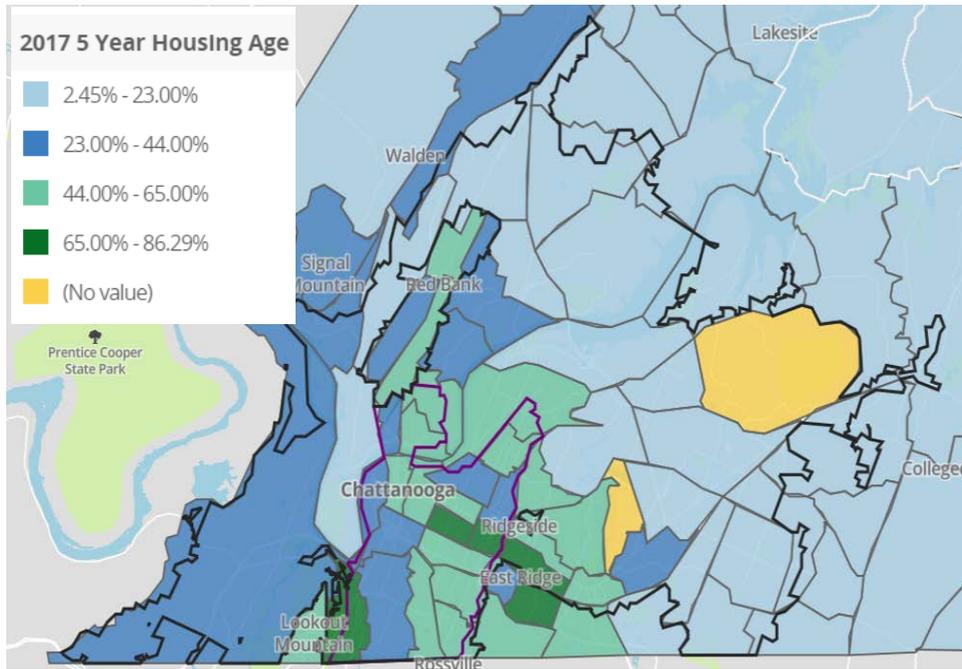
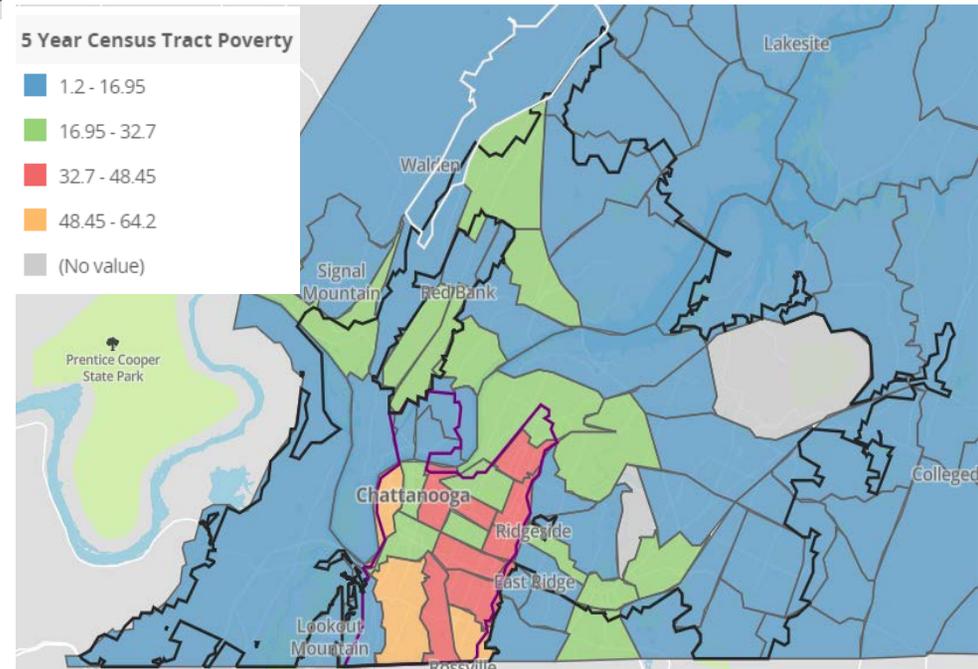


Figure 45: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>



The frequency of homes built after 2000 varies throughout the county, (Figures 46, 47) however, the majority of census tracts have less than 28% of their housing stock built in recent years.

Looking at Chattanooga, census tract 20 is the only census tract in the highest range, 42-56%, for new homes built after 2000. Tract 20 is also considered a R/ECAP area. Tract 19 also shows more than the average percentage of homes built after 2000 (28-42%). The remaining R/ECAP areas have 28% or less new homes. These statistics show much needed development in distressed areas, however, the flip side of this is that more construction in certain areas could be an early indicator of shifting demographics and income in these areas. (Figures 48, 49)

After reviewing the data, it would seem that there would be a high need for rehabilitation programs within the R/ECAP areas. In addition, with the amount of vacant properties available in these areas, there might be some opportunity to increase homeownership.

Figure 46: Percentage of New Homes (Built After 2000) by Census Tract for Hamilton County <sup>37</sup>

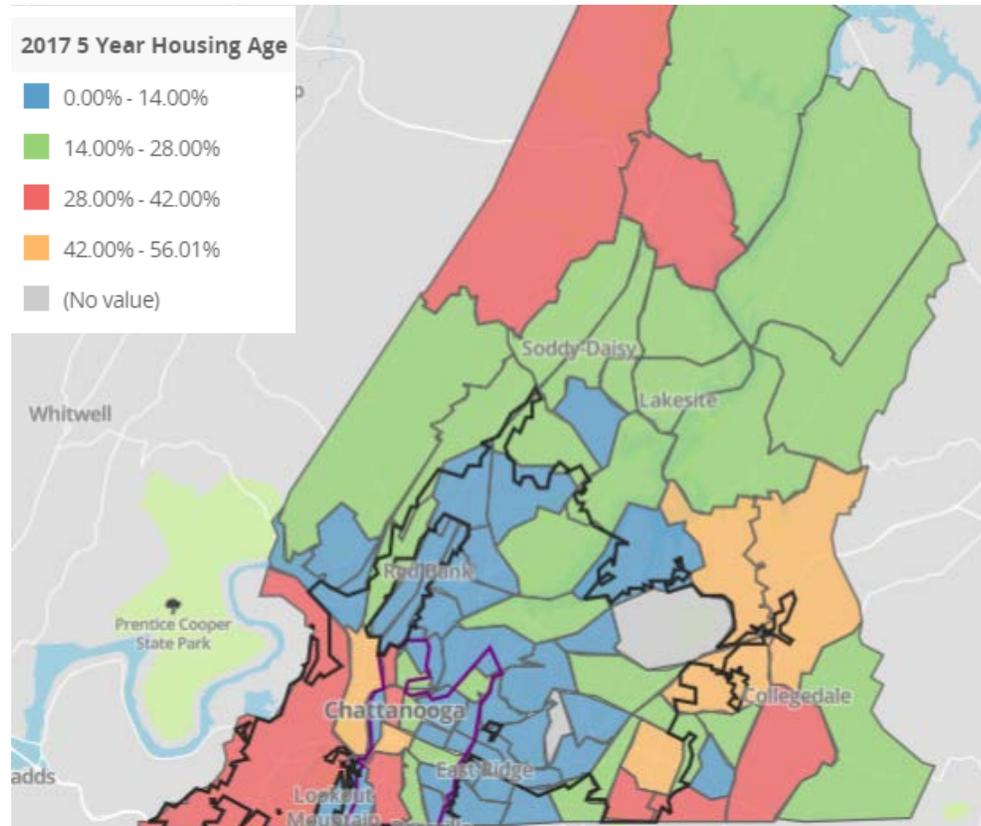


Figure 47: 2017 Percent below Poverty Level for Hamilton County <sup>32</sup>

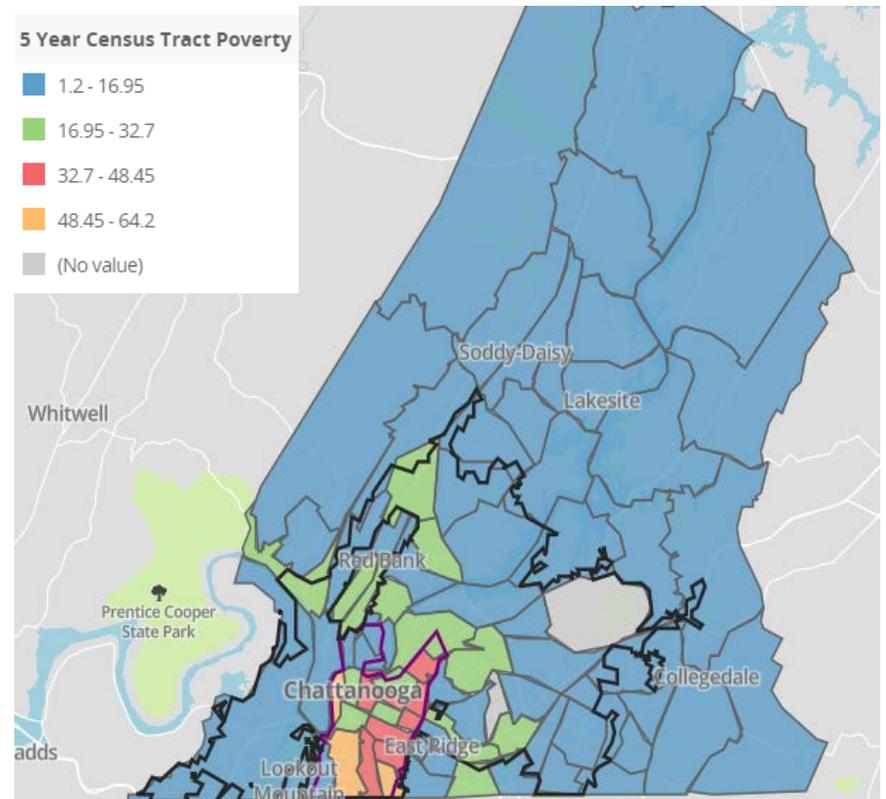


Figure 48: Percentage of New Homes (Built After 2000) by Census Tract for Chattanooga <sup>37</sup>

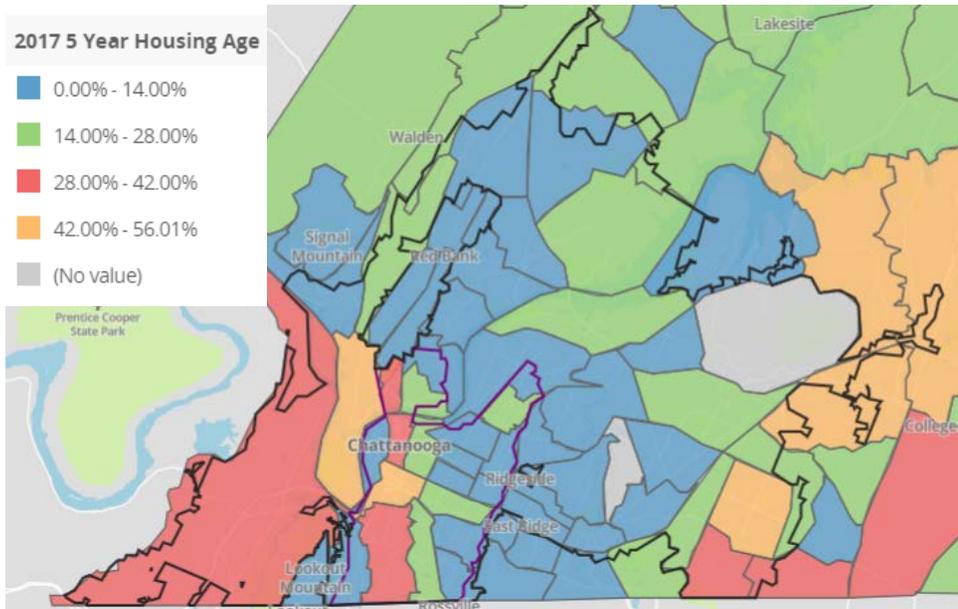
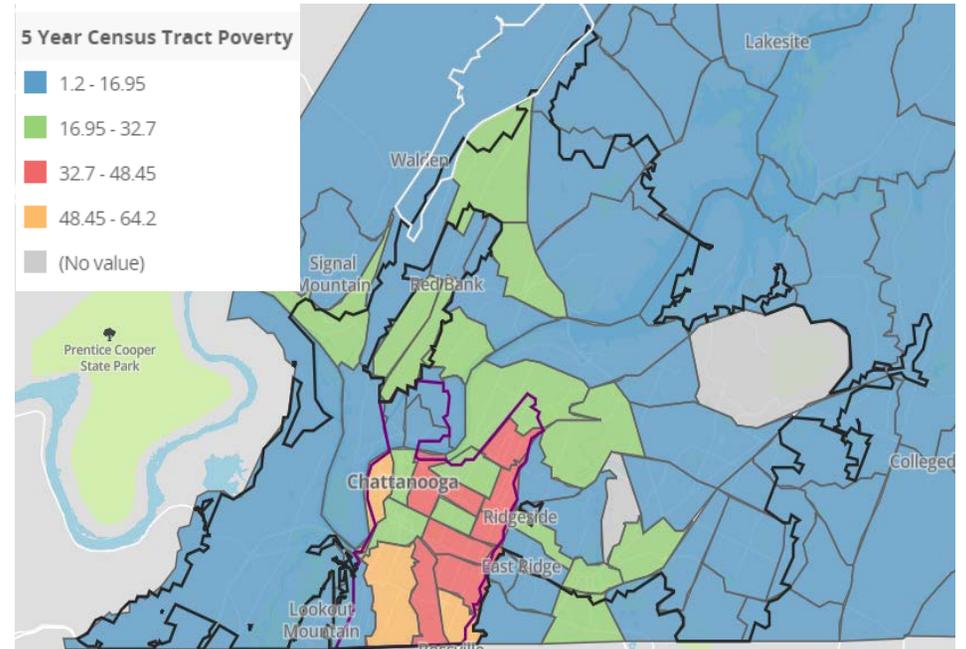


Figure 49: 2017 Percent below Poverty Level for Chattanooga <sup>32</sup>



There are a couple of challenges Chattanooga is seeing in recent years with regard to the development of affordable housing. The first is that the housing market is in favor of developers, allowing them to easily get all the financing they need for new developments. This poses a challenge for federally funded affordable housing programs: How do we entice the developers to take our money and develop affordable housing when they can easily get financing and sell or rent their developments at market rate? What would make it worth their while? At a current rate of \$109 per square foot to build, as opposed to \$116 in 2018, and increasing sales prices, developers can build homes cheaper now than a year ago and sell for more.

The second challenge is finding developers that are willing to partner with the City to develop affordable housing. Chattanooga is having challenges with courting new developers into affordable housing to provide a wider variety of styles of affordable housing to our residents.

### *Property Taxes*

Property taxes are a factor that can affect the affordability of housing. According to the Census Bureau's 2017 5-year ACS, the percentage of people paying \$1 to \$1,499 in property taxes has declined steadily since 2013. Those paying \$1 to less than \$800, fell from 18.6% to 15% and those paying \$800 to \$1,499 in taxes, declined from 30.5% to 26.5%.<sup>38</sup> The percent of people paying no property taxes, most likely due to tax freezes available to the elderly, remained steady between 2-3%. The bulk of homeowners fall in the \$800 to \$1,499 range for taxes, which includes city and county taxes. The added burden of having both city and county taxes assessed on a property within the city limits, in some cases, makes homes within the city limits automatically less affordable than in the county.

### *Property Values*

The median property value in Chattanooga for 2017 was \$153,900 ± \$2,992, which is up slightly from 2016, at \$152,000 ± \$2,712. Based on a home of between \$125,000 and \$70,000, which is the general range to find a home in decent condition that is affordable and not in need of major immediate repairs, only about 29% of the city's housing stock falls within this range. If you add the next level up, which includes homes up to \$150,000 (which may not be easily affordable for lower incomes) the stock comes up to 40%. The remaining 60% is divided up into non-suitable housing (below \$70,000) at around 4%

and 56% being more than \$150,000. The most abundant range for property values in 2017 is \$150,000-\$175,000. <sup>39</sup>

Revitalization is urged throughout the city, however there is a price that comes with doing so. As developers and businesses move in, houses get renovated and vacant properties are inhabited with new homes. As neighborhoods grow and become more desirable, it renews interest in the area from outside residents prompting property values and taxes to jump. This jump is what causes unintended gentrification of a neighborhood. Residents who have lived in the neighborhood for decades, usually minorities, can no longer afford the rising property taxes, and are eventually driven to move, foreclose, or let their properties fall into disrepair. If we want to revitalize our neighborhoods, we must take steps to ensure that the natives to the neighborhood, and those that give it its unique flavor, are able to keep up and remain in their homes. In addition, the City needs to have robust rehabilitation efforts to allow people to stay in their neighborhoods and age in place. Housing choice doesn't always mean the choice to move where you want to, but to have the choice to stay where you are and have access to the same amenities.

### Housing Condition Issues:

**Issue 1:** The majority of homes in the LMI and R/ECAP areas were built before 1960 and are more likely to be vacant and in need of repair.

## Housing Survey Results

One hundred and fifty-two (152) housing surveys were collected from Chattanooga locations. Respondents were asked questions concerning their neighborhood, their desire to live in an area other than where they currently reside, and issues with finding housing in Chattanooga. During the course of these surveys some fair housing issues were also uncovered. Details of survey results can be found in the Survey Results section of this report.

The majority of respondents came from downtown, Brainerd, Hixson, and county areas. There was a good distribution among incomes that responded, with households falling in all four income ranges provided: less than \$35,000, \$35,000 to \$50,000, \$50,001 to \$75,000, and greater than \$75,000.

The majority of households had two people, with one-person and three-person households the next most numerous. Respondent household sizes ranged from one to seven people.

Of the total respondents, 59% owned their own home and 36% were renters. The remaining 5% broke down as: 4% stayed with others and 1% did not respond.

When respondents were asked if they desired to live somewhere other than where they currently reside, the responses were nearly equally distributed between “Yes”, “No”, and “No response”. One percent of respondents answered with Maybe. For those who answered with “Yes” or “Maybe”, the top reason for wanting to live elsewhere was for “More Yard Space/Land”. The next most popular responses were “Better Schools”, followed by “Near my Family/Support System”. The high percentage of “No Responses” was due to those people who didn’t desire to live elsewhere.

When asked what their reasons were for not moving out of their current neighborhood, the majority of respondents overwhelmingly cited “Lack of Affordable Housing” as their main reason for not moving. The next most used reason was, “Don’t want to move from family/support system”.

Another question asked why they live in their current neighborhood. The most popular response was, “It is the only place I could afford.” The next most common answers were that it was near their place of employment and that it was near their family or support system. Other answers given were the location and convenience, good schools, and that they have roots in the neighborhood.

Thirty-four percent of respondents indicated that they had trouble finding housing in Chattanooga. The primary reason noted was that there was no affordable housing. Specific respondents called housing prices “outrageous” or noted that rents have continuously gone up. A few respondents noted that they had difficulty finding accessible units, indicating that, “This city doesn’t care about us.” The lack of affordable senior living spaces was also noted.

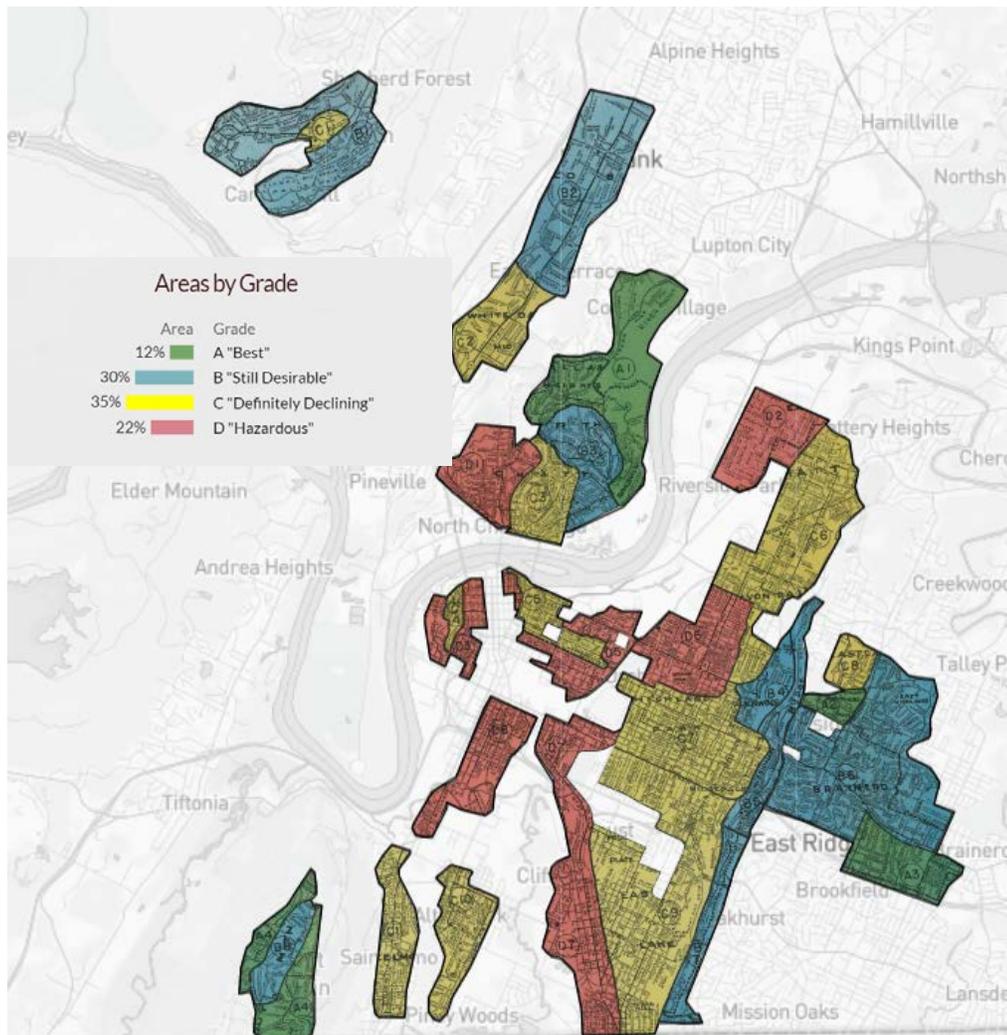
Raising rents have made it cheaper to buy than rent, which leaves out those people, “stuck in the middle” (earn too much for assistance, but not enough to support a home purchase). This situation has unfortunately left some residents homeless.

## Lending Practices

### Historic Patterns

When you look back at redlining in 1940, created by the federal government's Home Owners' Loan Corporation between 1935 and 1940, (Figure 50) the entire downtown area was considered either "definitely declining" or "hazardous." In these areas, the green areas were considered minimal risk for loans and mortgages, while the red areas were avoided or were allowed sparingly. This was inherently detrimental to minorities, as they often lived in, and were the cause of, places being considered "hazardous" or "declining." This meant that they had to pay higher rates on mortgages, if they got them at all. <sup>40</sup>

"In Chattanooga, seven areas of the city were deemed hazardous and all of them were neighborhoods where blacks lived. The area around Clifton Hills and along Rossville Boulevard going into Georgia was redlined. Part of the map's explanation calls it "the section in which most of the negro population resides." The area around the former Cameron Hill, where the BlueCross BlueShield headquarters now sits, was also deemed hazardous because "Negro concentration is in the southeast and southwest part of the area" and "a colored low-rent housing project has been started on Main Street," which is now called College Hill Courts." <sup>41</sup>

Figure 50: Chattanooga Redlining Map from 1940 <sup>40</sup>

According to a study by the National Community Reinvestment Coalition, 74% marked “hazardous” in red ink on maps drawn by the federal Home Owners’ Loan Corp. from 1935 to 1939 are today much more likely to be areas of concentration for lower-income, minority residents. In the case of Chattanooga, there are also areas of hyper segregation, especially in the south part of the City. Census tracts in the urban core with 85% or more of minority population are tracts 122, 4, 12, 19, and 16, of which all but tract 4 are R/ECAP areas. This also leads to greater sustained economic inequality in these areas. <sup>42</sup>

Some of these areas have overcome the discriminatory practices of the 40’s, such as St. Elmo, which until 2010 was considered a low or moderate income census tract by HUD, and an area of “definitely declining”. In 2010, it fell off due to increased development and the subsequent increase in property values, which could lead to gentrification of the area. In 2000, the percentage of low and moderate

income people was greater than 50%, but in 2010, that number fell to 45.41%. The percent minority for census tract 18 hasn't changed enough to move it into another level on the race maps, between 2010 and the 2017 5-year ACS. In 2000, the minority percent was 43.8%. It will be important to make efforts to minimize Saint Elmo in the coming years and preserve the diversity there currently.

### Lending Today

When we look at home loan data for home purchase, rehabilitation, and refinancing for 2017, we do not see a great deal of disparity in refusal rates based in income levels.<sup>43</sup> After looking deeper into the rejection rates by census tract, we do not see any obvious evidence of discrimination when it comes to home purchase loans. Using percent rejection rates, there were equally likely to have non-LMI census tracts as LMI census tracts to have high rejection rates. For example, top five highest rejection rates were for LMI and Non-LMI looked like this:

Table 4: Low/Moderate income rejection rates by various populations

<b>LMI Rejection Rates</b>					
<b>Tract</b>	<b>% Rejection</b>	<b>% Minority</b>	<b>% Elderly (65 and older)</b>	<b>% Disabled</b>	<b>% Non-English Speaking</b>
<b>*13</b>	25%	71.36%	7.6%	16.1%	4.2%
<b>32</b>	20.59%	86.55%	19%	18.3%	0%
<b>31</b>	19.05%	37.26%	8.5%	19.3%	4.2%
<b>123</b>	18.64%	70.82%	13%	16.3%	0%
<b>*19</b>	18.18%	95.54%	12.1%	23.4%	0%
<b>Non-LMI Rejection Rates</b>					
<b>103.05</b>	46.76%	5.33%	20%	15%	1.6%
<b>110.01</b>	29.41%	6.86%	24.3%	16%	0%
<b>101.02</b>	27.59%	5.16%	11%	No data	0%
<b>101.04</b>	24.64%	6.62%	18.9%	19.5%	0%
<b>30</b>	20%	59.14%	10.2%	14.3%	7.5%

\*R/ECAP Census Tract

There are a couple of things to note about the rejection rates for home purchase loans. First of all, the highest rejection rates for LMI tracts are not concentrated in the R/ECAP areas, which is promising. Secondly, the top five rejection rates for Non-LMI tracts are equal to or higher than the highest LMI rejection rates. Finally, the majority of the high Non-LMI rejection rates occurred in the northern part of the county where minority populations are very low to non-existent. When we looked deeper into the rejection rates for specific groups, we found that the census tracts with the highest rejections for home purchase loans were not predominantly non-English speaking or elderly. Disability percentages were similar across all ten census tracts, but none were disproportionately disabled. However, four of the ten tracts were disproportionately minority, and another had a minority majority. Two of these census tracts were R/ECAP tracts.

For refinancing loans, the rates are significantly higher for both LMI and Non-LMI, but still no real discernable disparity is noted. If you look at the reference line at 40%, the vast majority of rejections for both LMI and Non-LMI tracts are below 40% rejection. The place where we start to see some differences between LMI and Non-LMI tracts is with rehabilitation loans. While both saw a jump in rejections, LMI tracts saw more rejections above 60%, and in LMI tracts 19, 26, and 31 (19 and 26 are R/ECAP), all loans were rejected.

When loan rejection rates are analyzed based on race, an entirely different picture emerges. (Figure 51, 52) The line added is the reference line indicating the rejection level for white applicants. Loan rejection rates were significantly higher for minorities than for Whites or Asians. The line on the graph is a reference point for the rate of rejection for white loan applicants in 2017. In addition, all ethnicities other than White, Non-Hispanic, had higher rejection rates. Hispanic applicants fared only slightly worse than white applicants, and those applicants that were of multiple races were better off with loan approvals than even white applicants. (Figure 53)

Figure 51: Loan Rejection Rates for All Loans Combined for 2017 <sup>43</sup>

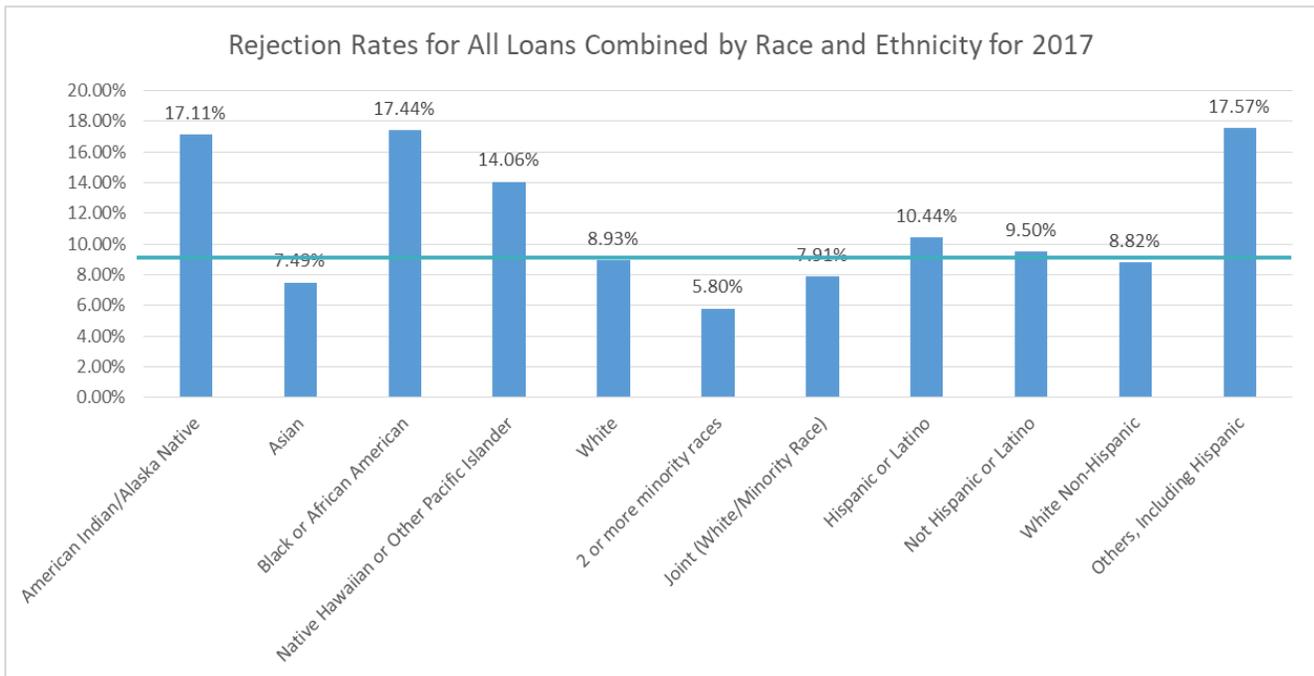


Figure 52: Loan Rejection Rates by Race 2018 <sup>43</sup>

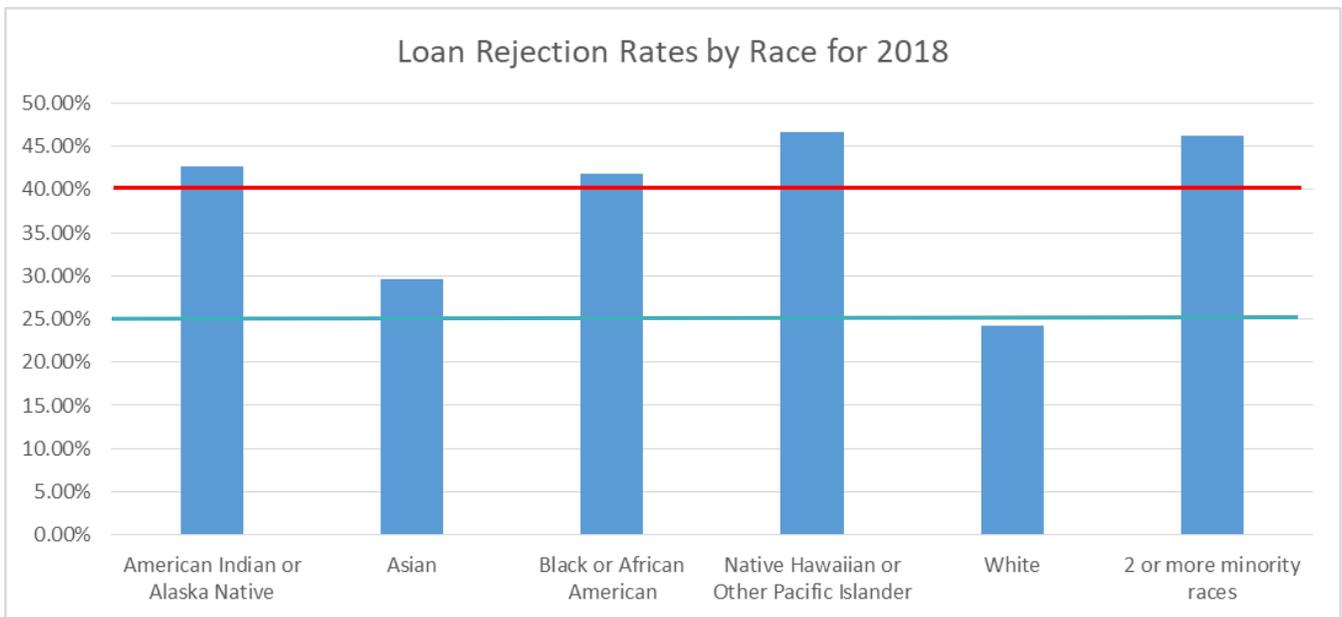
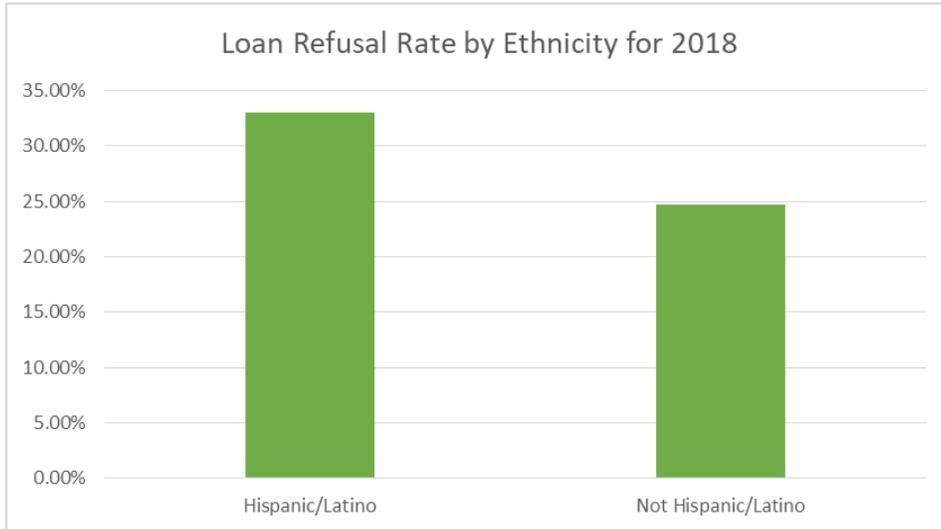


Figure 53: Loan Rejection Rates by Ethnicity for 2018 <sup>43</sup>



Looking at loan refusals by Ethnicity, there is a slightly higher refusal rates for Hispanic/Latino applicants (32.97% Hispanic vs 24.70% Non-Hispanic)

Loan refusal rates, however, jumped significantly for all races in 2018. <sup>43</sup> As the chart shows, Asians are the next successful at getting loans. For all remaining minorities, rejections rates exceed 40%, indicated by the green line. It is unclear why loan rejections jumped from 2017 to 2018, but the increase did come across the board for every race and ethnicity.

### Lending Issues

**Issue 1:** Higher loan rejections in census tracts that are disproportionately minority populated and for Hispanic applicants.

## Zoning and Land Use

There are two types of zoning found in the City of Chattanooga. One is the Euclidean zoning that is found in the majority of the City Limits. The other type, Form-Based Code, is a small area covering the downtown core, riverfront and select parts of the Southside and North Shore areas. Euclidean zoning favors single family residential housing, thereby favoring homeownership and is a housing barrier for many protected classes.

The areas of Primary Zoning adhere to the following zoning structure <sup>44</sup>:

Table 5: Residential zoning codes

<b>ZONE</b>	<b>PRIMARY USES</b>	<b>TYPE OF RESIDENTIAL DEVELOPMENT</b>
<b>R-1</b>	Single Family	Large lot residential (7,500)
<b>R-TZ</b>	Single Family, Townhomes	Small Lot Residential, Townhomes
<b>R-2</b>	Single Family, Apartments	Large-small lot residential, 2-unit apartments
<b>R-3</b>	Single Family, Apartments	Apartment complexes (all sizes); using suburban setbacks
<b>R-3MD</b>	Single Family, Apartments	Apartment complexes (up to 4 units per building), using suburban setbacks
<b>R-4</b>	Single Family, Multi-family, Office, Institutional	Mixed use development using suburban setbacks

There are several problems with applying this standard throughout the City Of Chattanooga. If a person wants to develop anything other than a standard single family unit in R-1, they would have to request a lengthy zoning change review and face possible retaliation from the rest of the neighborhood. R-1 zoning has become more problematic in recent times when a resolution was passed in a 2004 City Council Ordinance that would require all duplexes that have been vacant for 100 days or more to

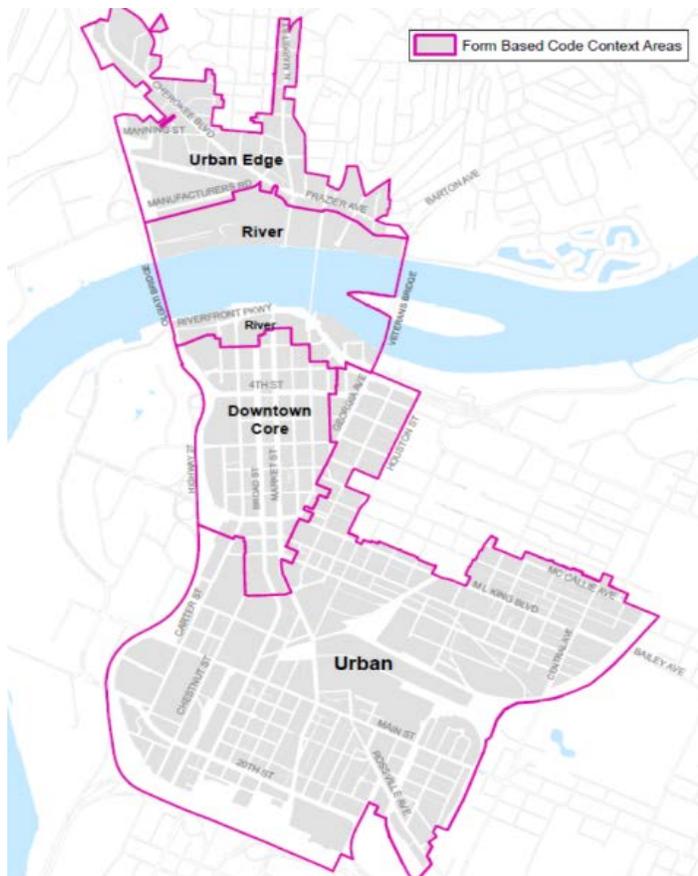
automatically be reverted back to R-1 zoning, thereby further limiting options for affordable housing and housing choice.

1. The suburban R-1 zoning is a “one size fits all”. This is problematic because not all neighborhoods are the same size or have access to the same lot sizes, the setbacks mandated for R-1 do not take this into account. The same setbacks and lot sizes are required for all R-1 building. In addition, the zone requirements do not address alley access and parking or the maximum building site area.
2. None of the current zoning categories addresses Accessory Dwelling Units, with the exception of the recently implemented Form-Based Code, in select areas of the city.
3. If a developer wants to develop small lot residential housing, they must request a zoning change to R-TZ, which often raises concerns about “spot zoning.”
4. If a resident would like to build a live-work unit, they also would have to request a zoning change to Urban General Commercial Zone (UGC). Unfortunately, this leads to concerns about having businesses in the middle of residential areas.
5. If a developer wants to build a development featuring multiple units around a courtyard, they have to apply for a zoning change to R-2 or R-3, leading them to run into setback challenges.
6. If a developer wants to build a quadraplex on an urban lot, they would have to request a change to R-3, however suburban setbacks and minimum lot size would require variances, and there is no guidance on the placement of parking.

With the use of R-1, R-2, R-3, and R-4 zoning, we are promoting the separation of housing types instead of encouraging a mix of housing types in a neighborhood. This segregation, also helps to further set apart low income residents from higher income residents, as well as keeping them out of certain areas of the city.

Chattanooga is currently testing out a Form Based Code in the downtown area to help free up current zoning restrictions. (Figure 54)

Figure 54: Form-based code areas <sup>45</sup>



### Areas Included in Form Based Code

1. Northshore
2. Riverfront
3. City Center
4. Martin Luther King
5. Southside

One of the more detrimental changes to the zoning laws was the 2004 City Council ordinance requiring all duplexes vacant for 100 days or more are automatically rezoned to R-1 single family homes in certain areas of the city. This ordinance is still in effect today. In Avondale, the location of the new Owner-Occupied Duplex Program, prior to the 2004 Ordinance, nearly 99% of residential zoning fell under R-2 and R-3. According to City data, nearly 65% of code violations were recorded at properties that were not owner-occupied.

### Zoning Issues

**Issue 1:** Euclidian zoning segregates households by income and race.

**Issue 2:** The desire for R-1 zoning is leading to fair housing issues with respect to access to neighborhood living.

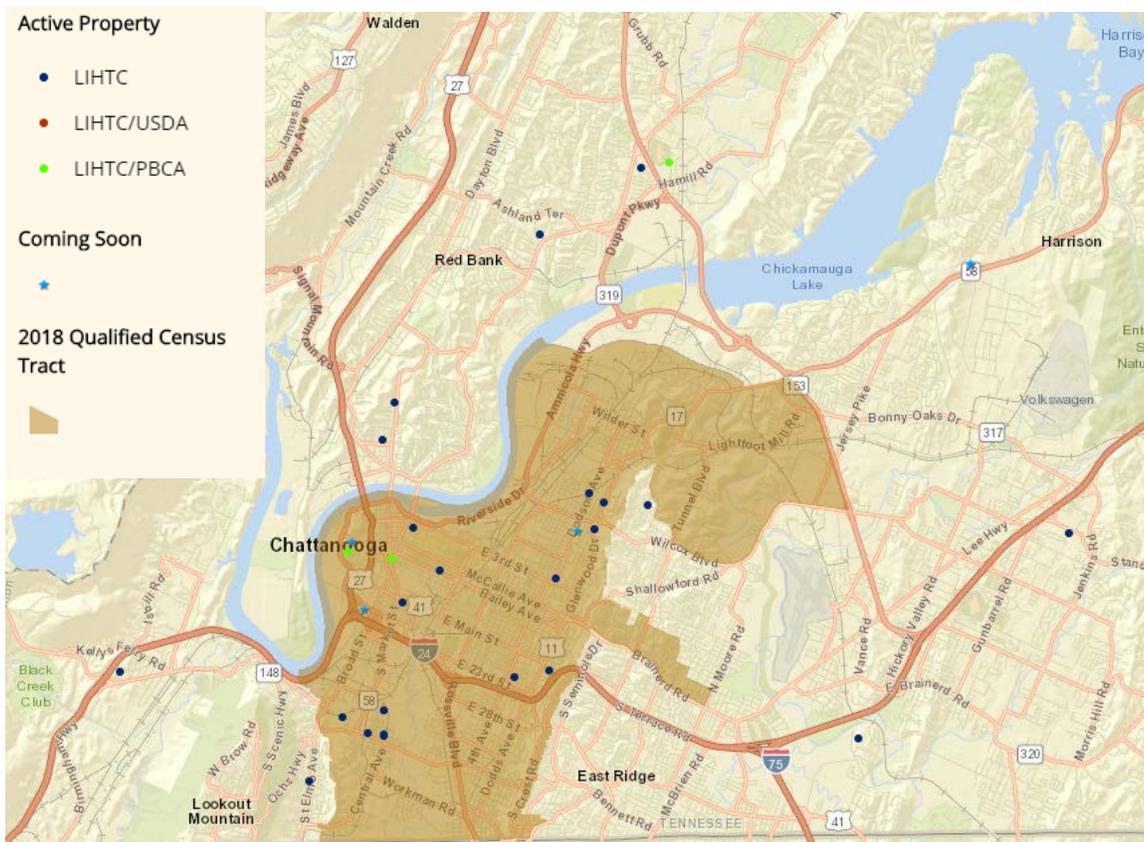
## Subsidized Housing

The City of Chattanooga and Hamilton County have a couple of initiatives that have an adverse effect on fair housing.

### Low Income Housing Tax Credit Program (LIHTC)

According to HUD's LIHTC Database, the City of Chattanooga has 27 affordable housing developments funded under the Low Income Housing Tax Credit (LIHTC) program totaling 1,810 units (2017 data), with 20% set to expire within the next seven years totaling 376 units. According to Tennessee Housing Development Agency's (THDA) Low Income Housing Tax (LIHTC) Credit Mapper, these are the active LIHTC properties and ones coming in the future. <sup>46</sup> (Figure 55)

Figure 55: Map of LIHTC Sites



The occupancy report for 2017 showed that all of the LIHTC developments in Hamilton County were at a 90% or higher occupancy rate. The majority of Hamilton County's LIHTC developments were put in service between 2000 and 2009. However, when you look at the time frame from 2010-2019, there were only two LIHTC properties placed in service. It has been more difficult in recent years to get LIHTC projects to Hamilton County due to the way Hamilton County assesses the properties.<sup>47</sup> The application process is complicated and highly competitive.

The LIHTC program, unfortunately, does not eliminate barriers to fair housing choice. Currently, there is a push to move LIHTC deals away from the urban area and into more suburban areas. On one hand, this is good to ensure that affordable housing is present in other areas of the city. However, in doing so, they are also pushing housing away from nodes of transportation, commerce, and services, making it the unit less accessible in other ways. Additionally, the HUD LIHTC Database reports that none of the LIHTC units are designated for senior renters, indicating a need for more senior affordable rental housing.

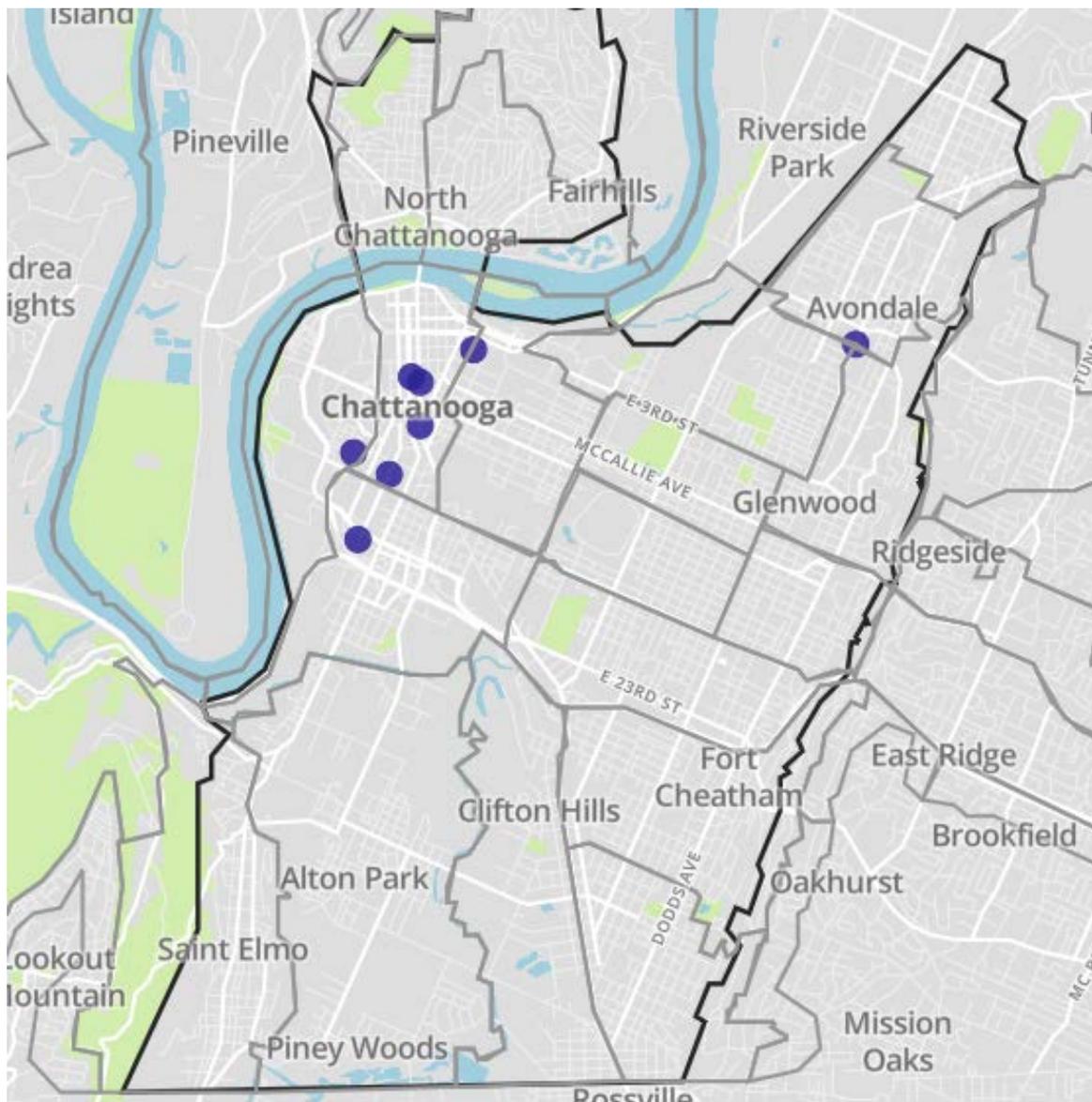
## Workforce Housing

In 2017, Hamilton County Commission killed a PILOT project that would provide workforce development housing to be located near Volkswagen, due to the negative community response. The reasons cited were that the area was not, "economically depressed" and that they didn't see a project being developed in that area as needing County money. They also said that, "developer thought the nearby industrial enterprises did not pay their employees enough for them to afford market-rate rents."

## Public/Subsidized Housing

Chattanooga has a decent supply of public housing and subsidized housing sites scattered throughout the City Limits, and a few subsidized housing units in the areas around Chattanooga. All of our current PILOTS are located in the Downtown area. (Figure 56)

Figure 56: Locations of city PILOTs



### *Public Housing*

Chattanooga Housing Authority (CHA) manages 2,731 public housing units and currently has 3,638 Housing Choice Vouchers (“vouchers”) authorized for its jurisdiction. (Table 6) CHA provides housing resources for very low income families, particularly individuals on fixed incomes and those with limited abilities to work full-time due to disability or lacking child care. As a result, residents served by the CHA have greater rates of disability and female-led households with children than the general population, and are predominantly African American (87%). They are also more likely to live in a R/ECAP area.

With the majority of the housing developments built in the 1970’s, the public housing stock is aging and needs to undergo renovations. A few have already or are currently undergoing extensive renovations to modernize the units and facilities. Recently, there has been a movement to transfer ownership of public housing developments to affordable housing developers to facilitate extensive rehabilitation, while keeping the units at affordable levels. Doing this allows for the utilization of funds that would not be available to Housing Authorities. Cromwell Hills is currently going through extensive renovations through this method. There have also been some public housing developments in recent years. Fairmount Apartments was constructed in 2012, after the original site was torn down. Chattanooga has also seen the loss of some public housing sites in recent times. The Harriet Tubman homes, in East Chattanooga, was demolished in 2014, and the remaining residents relocated.

The Chattanooga Housing Authority (CHA) has several public housing sites located around the city. They are located in Census Tract 19, which includes Alton Park and Piney Woods neighborhoods, Census tract 12, which includes Glenwood Neighborhood, Census Tract 122, which includes Avondale, Census Tracts 6 and 7, which are the North Chattanooga area, Census Tract 25, which includes the East Lake area, and Census Tract 16, which is the Riverfront area.

Table 6: CHA Housing Sites

List of Current Public Housing Sites	
Site	Number of Units
<b>College Hill Courts</b>	497
<b>East Lake Courts</b>	417
<b>Mary Walker Towers</b>	152
<b>Emma Wheeler Homes</b>	340
<b>Boynton Terrace</b>	250
<b>Emerald Villages (Missionary, Glenwood 1 and 2, Woodside Heights)</b>	111

<b>Cromwell Hills</b>	200
<b>Gateway Tower</b>	132
<b>Villages at Alton Park (Phase 1-3)</b>	275
<b>The Oaks at Camden</b>	57
<b>Greenwood Terrace</b>	98
<b>Fairmount Apartments</b>	18
<b>Maple Hills Apartments</b>	48
<b>Dogwood Manor</b>	136

## Section 8 Housing

In Hamilton County, there are currently over 3,900 units across the county that accept Section 8 vouchers, with the majority of them included in apartment complexes. These units include units for the elderly, special needs, homeless, and substance abuse recovery. The vast majority of Section 8 units are located within Chattanooga, with roughly half of them inside the urban core. Within the urban core, the majority of units are located in the East Chattanooga, Avondale, Glenwood, Alton Park, and Piney Woods areas, which coincide with R/ECAP areas, indicating a potential need for more landlord participation throughout the county.

## Public Housing Survey Results

The top three factors that keep public housing tenants from living in another part of the city are: 1) They don't want to live in another part of the city (33%), 2) Can't afford to live anywhere else (29%), and 3) Fear of discrimination due to my race/ethnicity, religion, and/or sexual preference (17%).

Overwhelmingly, the most important factor when choosing a place to live is proximity to economic/service facilities the respondent uses.

When asked about fair housing violations, 82% of respondents said that they have not experienced a fair housing violation when looking for housing in Chattanooga. Nine percent said they weren't sure if they had experienced a violation, and 4% said they had. The most cited basis for discrimination was source of income, which is not covered under the Fair Housing Act.

The majority of public housing respondents were satisfied with their current living arrangements. Twenty-two percent said they were not satisfied with their living arrangements, because of the following top three reasons: Problems with other tenants or public housing staff (19 respondents), Apartment/house needs repair or upgrades (13 respondents), and Illegal activity/crime in neighborhood (6 respondents).

### *PILOTS*

In 2016, Chattanooga amended their Housing PILOT Program to increase the number of affordable rental units across the city. The previous Housing PILOT Program exclusively served the downtown, North Shore, and Southside areas. This program required developers to mark, at minimum, 20 percent of their units as affordable housing units in the residential developments. The 2016 changes expanded the program to encompass the entire municipality and now requires a minimum of 50 percent of the residential units be earmarked as affordable housing units. The 2016 changes to the PILOT program have produced far more units than the previous iteration, and it has been widely acknowledged that these changes have resulted in real improvement over the previous program, though Chattanooga still lacks the quantity of the necessary units to provide for its low-income population. <sup>48</sup>

Currently, PILOTs provide over 800 affordable rental units to Chattanooga, broken down in Table 7:

Table 7: Chattanooga PILOTs with units and requirements

<b>PILOT</b>	<b>Units</b>	<b>Requirement</b>
<b>Chestnut Flats</b>	199	60% AMI and below
<b>1400 Chestnut</b>	40	80% AMI
<b>Maclellan Building</b>	17	80% AMI
<b>Market City Center</b>	25	80% AMI
<b>Walk 2 Campus 5</b>	13	80% AMI
<b>Patten Towers</b>	240	50% AMI and below
<b>Ridgeway Apts</b>	120	50% AMI and below
<b>Bayberry Apts</b>	163	60% AMI and below

## Subsidized Housing Issues

**Issue 1:** There is a need for more landlords to participate in the Section 8 program.

**Issue 2:** LIHTC developments are being pushed to areas away from transportation nodes.

**Issue 3:** Public/affordable housing is concentrated in a couple of census tracts in the R/ECAP areas.

**Issue 4:** Public opinion is having an adverse effect on where affordable housing is located in the city and county.

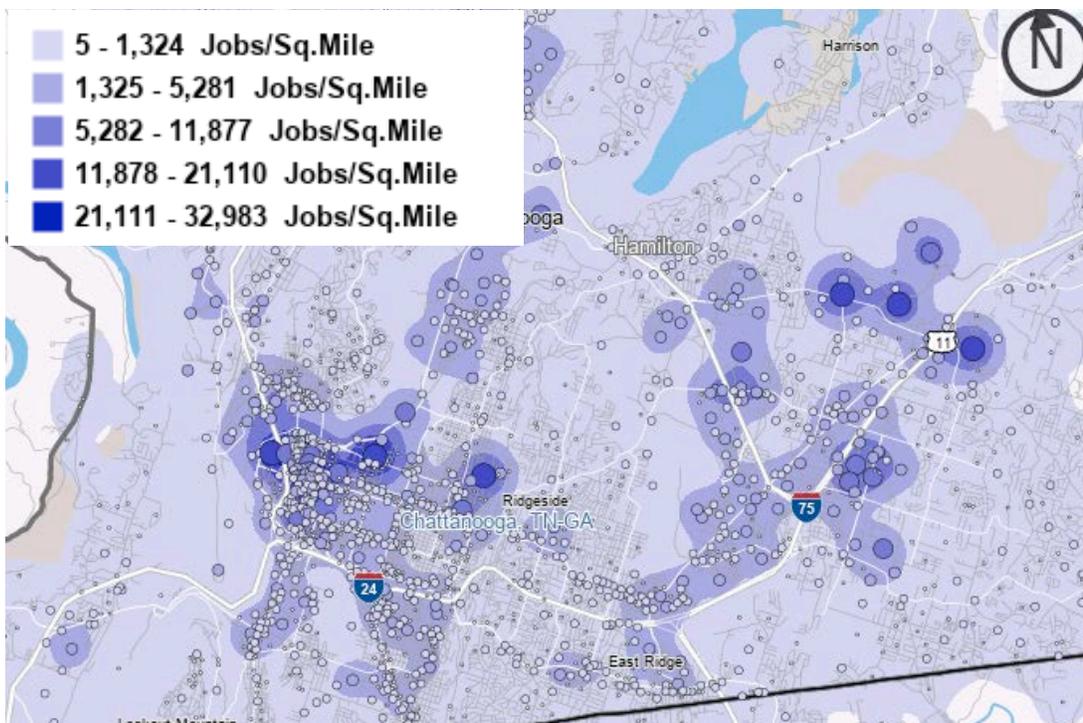
# Access to Opportunity

## Access to Jobs

Chattanooga has experienced significant job growth in recent years, with unemployment less than national average (3.7% compared to 4.4%) and anticipated steady growth in manufacturing, health care and construction. Much of this growth can be attributed to the opening of the Amazon Fulfillment Center and Volkswagen Plant in 2011, collectively employing more than 6,000 workers. These two facilities are located near Tyner, northeast of the city.

The dominant jobs within R/ECAP areas are within education, health care, food service, manufacturing, and retail trade. The majority of these jobs are low paying, and many do not provide a “livable wage,” or an income that is adequate to pay for basic needs like housing, food, and health care. Access to higher paying jobs at companies like Volkswagen and Amazon are restricted due to the lack or readily accessible transportation out to these areas into the county. (Figure 57) For example, residents living in public housing at the Villages of Alton Park, would require 90 minutes to get to work at the Amazon Fulfillment Center using public transit. Transportation issues, coupled with the low rates of people with higher education, make it difficult for residents in these areas to have access to gainful employment.

Figure 57: Job Centers in Chattanooga <sup>49</sup>



## Employment Issues

**Issue 1:** Gainful employment and livable wages are difficult to access due lack of education in R/ECAP areas.

**Issue 2:** Access to better jobs is restricted due to the lack of available transportation to the outlying areas.

## Transportation Access

According to a study CARTA did in 2016, low income people dominated ridership, solidifying the immense importance in expanding public transit systems. According to the 2016 CARTA's "On Board Transit Survey" report, nearly 60% of respondents indicated that the bus was their only means of transportation.<sup>50</sup> Public transportation ridership is exclusive to the Chattanooga's urban core and a couple of immediately surrounding areas, with the exception of Collegedale area. (Figure 58) This is explained further when you look at the CARTA ridership maps. There is currently no bus lines outside of Chattanooga, with the exception of the line that goes to the Volkswagen plant and to Hixson. (Figure 60)

Figure 58: Percentage of People who Utilize Alternative Forms of Transportation by Census Tract for Hamilton County <sup>51</sup>

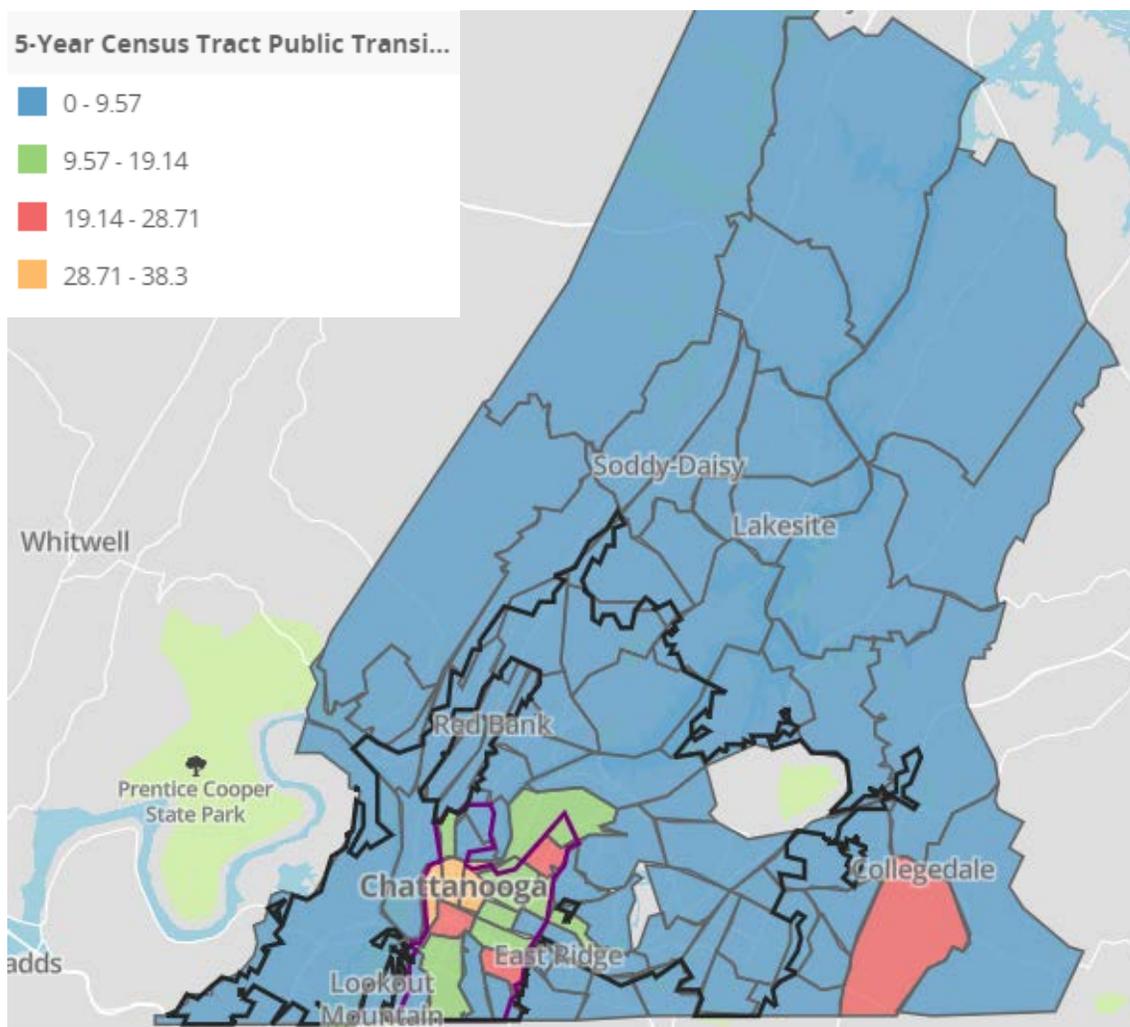
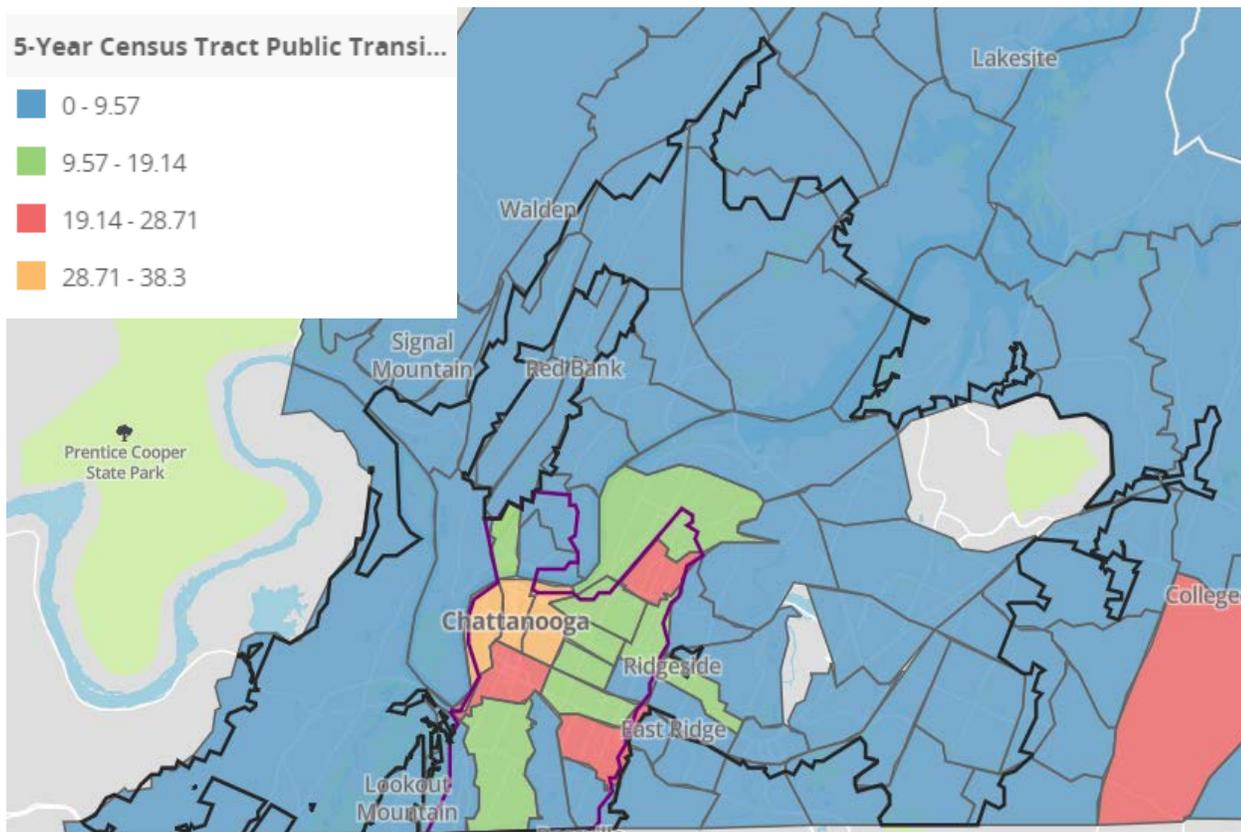


Figure 59: Percentage of People who Utilize Alternative Forms of Transportation by Census Tract for Chattanooga<sup>51</sup>



Interestingly, most of the R/ECAP census tracts have lower utilization of public transportation. Only census tracts 20, 25, and 122 have a higher rate of alternative transportation utilization, indicated in red. (Figure 59)

Looking at the relationship between ridership and timing of buses, there are no apparent correlations. When looking at ridership and walkability there are also a lack of patterns emerging. There is a possibility that the low ridership may be due to a combination of factors, including the density of jobs and activities at the bus stops, walkability and safety to and from the bus stops, linearity of bus routes, and proximity of stops.<sup>52</sup>

CARTA has noted, in their Chattanooga Choices Report from December 2017, that coverage and ridership goal are a constant conflict. Putting routes where the most ridership happens, leads to condensed route maps with less branches, consequently leaving a large majority without access to transportation.<sup>52</sup> According to CARTA's Chattanooga Concepts Report, the public was asked if they would rather walk further and have a short wait for a bus, or have a shorter walk but a longer wait. The

majority of respondents said they “preferred shorter waits”, followed closely by “strongly preferred shorter waits.” (Figure 61, 62) Walking to stops is possible, but is contingent upon whether the population in that area are capable of walking the distance and/or are willing to walk.<sup>20</sup> Many neighborhoods are not truly walkable in Chattanooga, particularly the older ones where populations of minorities live.

Figure 60: CARTA Bus Route for Hamilton County 53

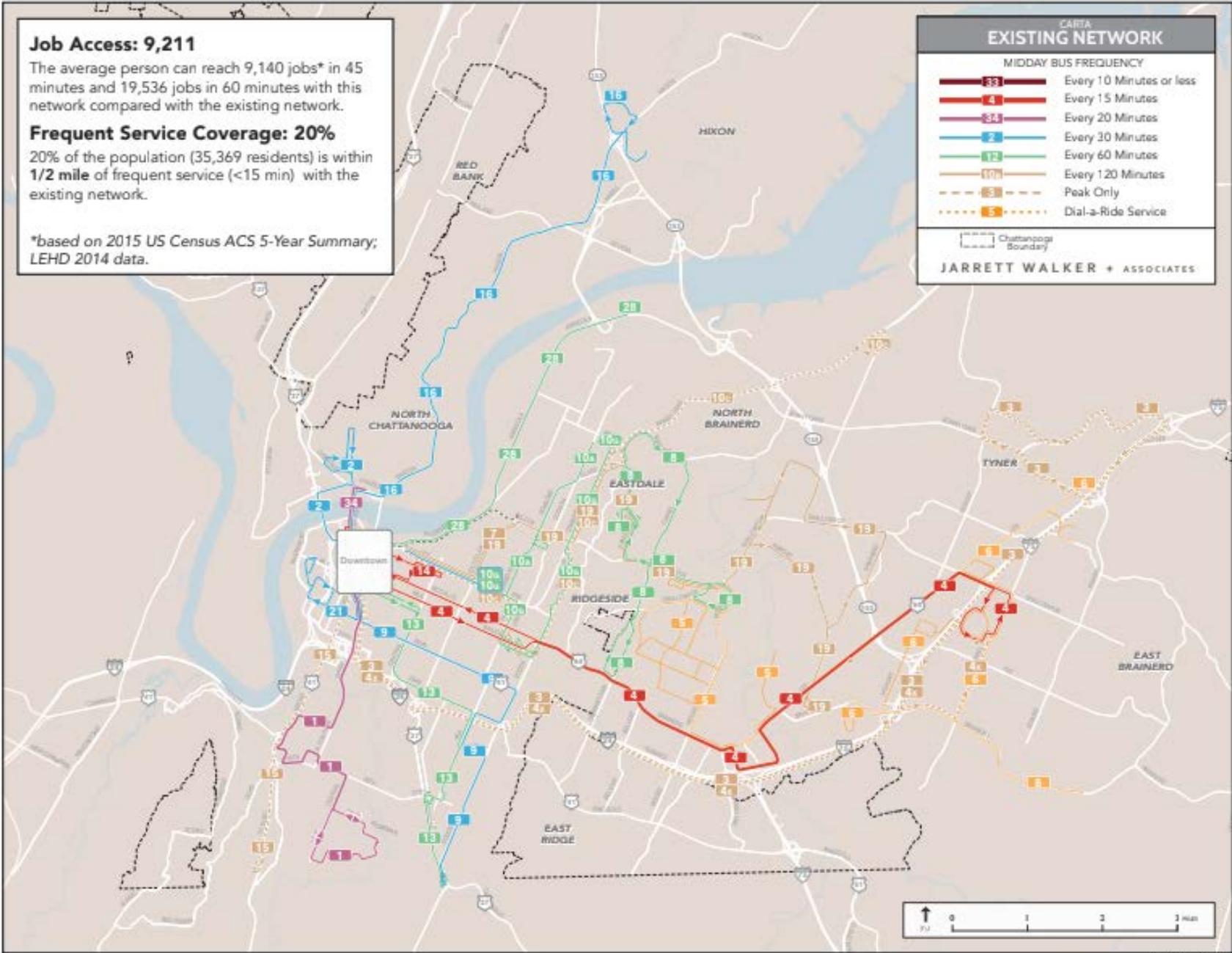


Figure 61: CARTA Midday Bus Frequency <sup>53</sup>

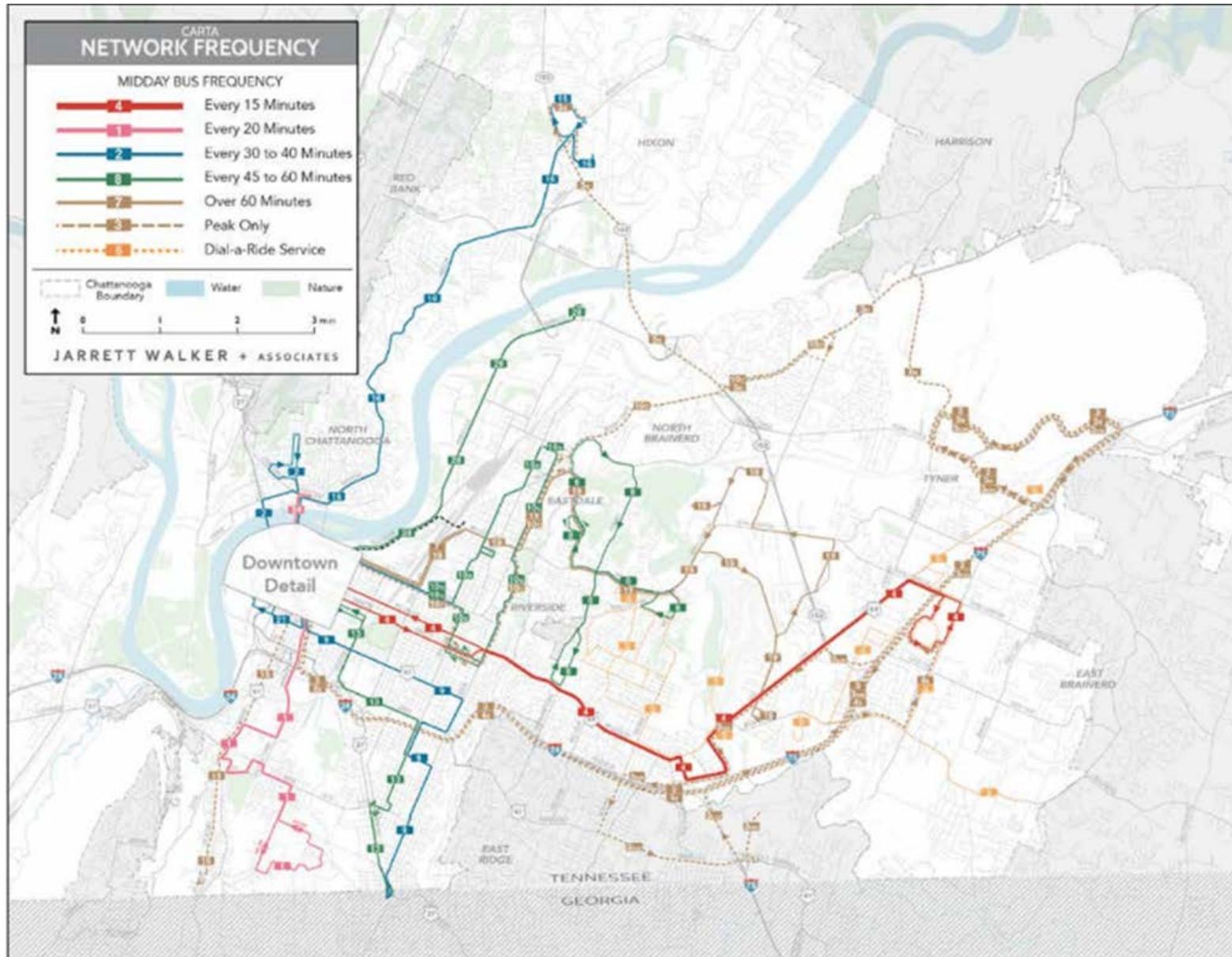
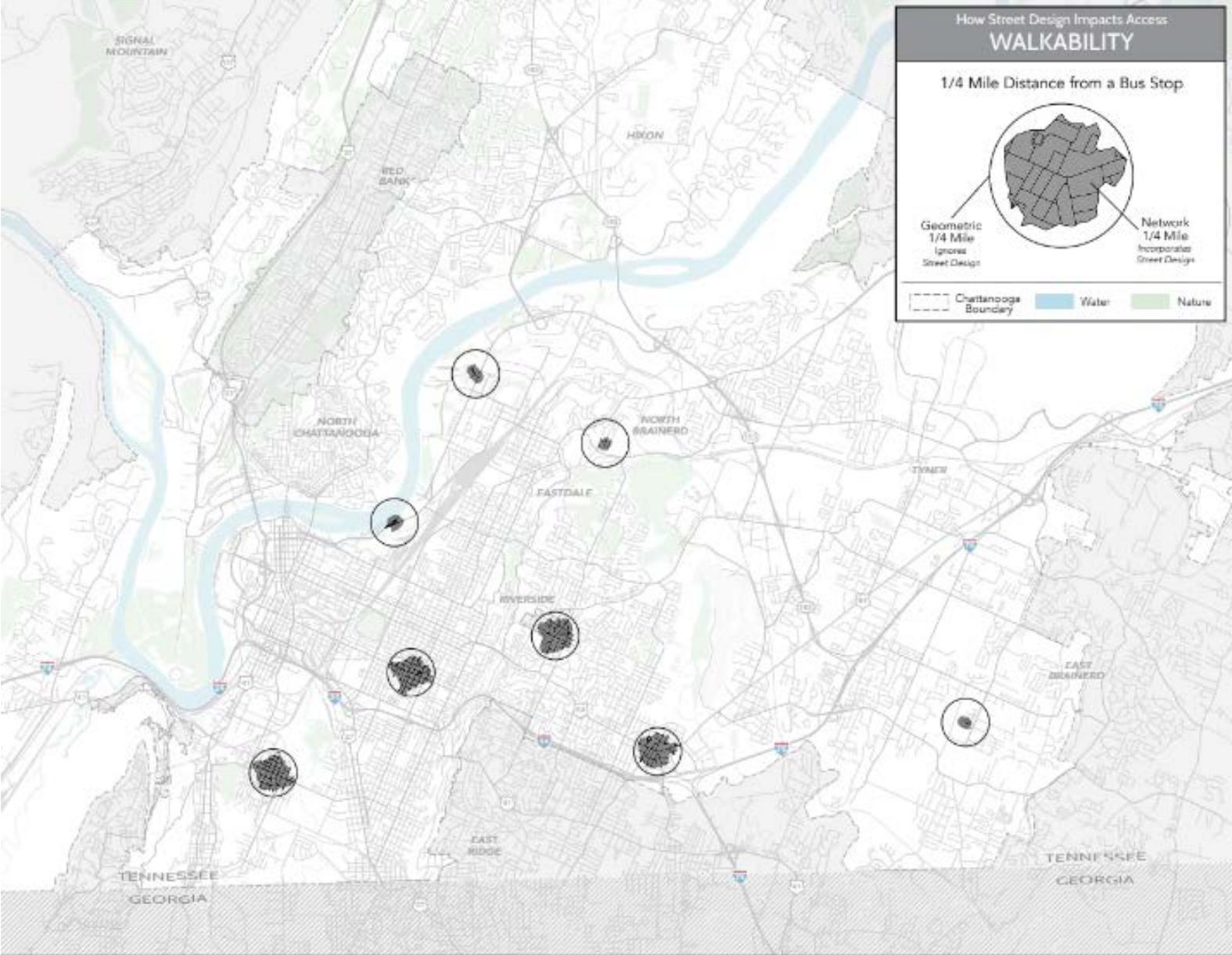


Figure 62: Walkability to CARTS Bus Stops <sup>53</sup>



When we examine CARTA's bus stop walkability map, we can see that it is limited to a few stops out of the countless across the city. This means that while Chattanooga does have a public transportation system, it is not easily accessible to all, particularly for those who lack a car and are in most need of transportation.

### Transportation Issues

**Issue 1:** CARTA ridership is low in the urban core.

**Issue 2:** Chattanooga and Hamilton County lack adequate alternative forms of transportation.

**Issue 3:** Large percentage of female-led households with children, not all centrally located to bus routes and job centers. Need for better public transit and day care.

## Crime

The Chattanooga Police Department reports crimes by council district, which can be translated into census tracts. From 2017 to 2018, violent crime overall declined, with homicides and non-fatal shootings down nearly 40%. However, crime still disproportionately impacts high poverty neighborhoods and minority communities. The highest number of violent crimes including murder, rape, aggravated assault, and robbery was reported in Council District 8 (representing parts of census tracts 4, 11, 14, 23, 25, 26, 114.11, 122, 123, and 124). Looking at the R/ECAP areas, six of these census tracts, 11, 14, 23, 25, 26, and 122, are R/ECAP areas, indicating that violent crimes occur in disproportionately more R/ECAP areas than not. <sup>54</sup>

The highest number of property crimes occurred in District 7 (representing parts of census tracts 16, 18, 19, 20, 23, 24, 25, 31, and 124), which covers part of the Downtown area. Six of these census tracts, 16, 19, 20, 23, 24, and 25, are R/ECAP areas, indication that property crimes are disproportionately higher in the R/ECAP areas. <sup>55</sup>

Table 8: Citywide shooting and homicides for 2018 <sup>56</sup>

Citywide Shootings/Homicides 2018			
	2017	2018	% Change
<b>Criminal Homicides</b>	32	20	-37.5%
<b>Gang Member Involved (GMI) Homicides</b>	18	7	-61.11%
<b>Percent GMI Homicides</b>	56%	35%	-
<b>Criminal Non-fatal Shootings</b>	87	82	-5.74%
<b>GMI Criminal Non-fatal Shootings</b>	41	24	-41.46%
<b>Percent GMI Criminal Non-fatal Shootings</b>	47%	29%	-

### Crime Issues

**Issue 1:** Violent and property crimes happen in disproportionately more R/ECAP areas than not.

## Education

In 1995, the City of Chattanooga consolidated its schools with the Hamilton County school system, falling in line with State law that requires education to be managed by the counties. As a side effect, the move would combine the City's predominantly African American schools, with the county's majority white population. Since then, there has been a stark difference between the prior city schools and the prior county schools.<sup>57</sup>

The quality of schools in Hamilton County inherently promotes perpetuation of the conditions for low income families. While reward schools are located throughout the county, it is important to note that all of the reward schools located in the Chattanooga city limits are magnet schools. Admission into these schools is either by lottery, audition, or a time-consuming registration process which could be difficult for the families that need access to the magnet schools most. In addition, the Normal Park schools have a zone, so admission comes after zoned children, siblings of current students, and staff children. In addition, magnet schools require up to 80 hours of volunteer service during the year, per child, in order to maintain that child's seat in the school.

This dichotomy makes it difficult for low income individuals, for which the majority reside within the city limits, to have access to quality schools and therefore lessens their chances of breaking out of poverty.

Hamilton County currently has nine priority schools that are all located within the City of Chattanooga.

The state is required to intervene with five of these schools to implement a plan to increase their performance. This intervention would make the five schools a part of a Partnership Zone to provide them with additional resources and support. These schools were chosen because they had ranked in the bottom 5% of the state for the last several years. These schools are Brainerd High, Dalewood, Woodmore, Orchard Knob Middle, and Orchard Knob High.<sup>57</sup>

## School Diversity

It is important to look at the demographics of the priority and the reward schools to get an idea of the population that utilizes those schools. All nine Priority Schools are located within Chattanooga, where the demographics look like this, based on the 2017 ACS<sup>3</sup>:

White	61%
Black/African American	33.3%
Hispanic	5.6%

The demographic of the priority schools looks like the following, based on the enrollment statistics for Hamilton County Schools for 2017-2018, which would have been the demographics at the time the school designations of priority and reward were made.

Table 9: Demographic breakdown of priority schools <sup>58</sup>

Demographic Breakdown for Priority Schools			
School	Black/African American	Hispanic	White
Brainerd High	92.87%	2.59%	4.21%
Calvin Donaldson	82.34%	14.68%	2.98%
Clifton Hills	35.04%	60.50%	4.30%
Dalewood Middle	89.43%	4.0%	6.29%
Hardy Elementary	94.66%	1.16%	3.71%
The Howard School	56.19%	40.32%	2.86%
Orchard Knob Elem	81.72%	15.20%	2.64%
Orchard Knob Middle	87.44%	10.13%	2.42%
Woodmore Elem	92.62%	1.48%	5.54%

Table 10: Demographic breakdown of reward schools <sup>58</sup>

Demographic Breakdown for Reward Schools			
School	Black/African American	Hispanic	White
Allen Elementary	2.15%	4.69%	91.8%
Apison Elementary	9.11%	11.03%	73.73%
Bess T. Shepherd	48.88%	35.82%	13.99%
Normal Park	12.90%	5.33%	76.05%
Chatt Ctr Creative Arts	21.94%	4.19%	68.34%

Chatt Arts and Science Upper	35.51%	1.93%	52.45%
Chatt Arts and Science Lower	25.61%	2.16%	62.26%
McConnell Elem	2.89%	1.45%	94.21%
Ham Co. Collegiate High	10.07%	2.88%	82.73%
Loftis Middle	5.01%	3.39%	89.34%
Lookout Mtn Elem	0.61%	1.21%	96.36%
Hixson Elem	22.77%	22.30%	51.64%
Nolan Elem	1.10%	3.45%	92.32%
Chatt School Liberal Arts	22.27%	2.0%	64.59%
Signal Mtn Middle/High	1.91%	3.43%	90.92%
Soddy Elem	2.68%	1.44%	93.81%
Westview Elem	13.17%	3.02%	76.33%
STEM School	26.09%	7.25%	63.04%

After reviewing the demographic data for the priority and reward schools, we can see that the priority schools are overwhelmingly African American and Hispanic, despite Chattanooga's population being 61% white. This indicated that white students are being put into private or magnet schools, as opposed to the public schools downtown, a choice that is often not available to minority students.

The majority of the reward schools have the opposite demographics from the priority schools, with few exceptions. Bess T. Shepherd is predominantly comprised of minority students. Chattanooga Arts and Science Upper and Lower, Hixson Elementary, and STEM schools are the other exceptions, having closer to a 50/50 split or a 60/40 split between white and minorities.

### School Achievement

When we look through the indicator data for Hamilton County Schools, we see a couple of patterns emerge. The first is that while minorities fare marginally better in achievement in reward schools as opposed to priority schools, they do not do as well as their white counterparts. This pattern is also

similar with economically disadvantaged minority communities students and students with disabilities. Achievement rates for white students in these schools can be as much as double the achievement rate for minorities. This is disturbing in that it means that minority students are at a disadvantage across the board, regardless of the type of school.

Another pattern that emerges when you look at indicator data for the schools, is that for priority schools, statistics on white students are statistically insignificant, while in most of the reward schools, economically disadvantaged minority communities and disabled students can be statistically insignificant.<sup>59</sup>

While the City of Chattanooga does not have control over the school system, we can affect school metrics in other ways. Since we know the link between stable housing and school achievement and absenteeism, providing more housing in areas with the worst achievement and absenteeism rates will likely make a positive change in these metrics. Ensuring that all federally funded housing has access to computers and internet can also increase achievement scores, as well as graduation rates and create more ready graduates. The Hamilton County Department of Education is currently working through the Future Ready by 2023 plan, which has the following performance goals for every school in Hamilton County<sup>60</sup>:

1. At least half of all third grade students will be on-track or mastered as measured in the TNReady English Language Arts assessment.
2. We will double the percent of students on track in Algebra I across all grades.
3. 75% of graduates will complete at least one advanced course or industry certification exam.
4. The average ACT composite score for the class of 2023 will be 21.
5. 90% of students who enter high school in the 2019 cohort will graduate by 2023.

This plan is aimed to alleviate the disparate quality of education in Hamilton County to ensure that every child, regardless of where they live, can have a quality education and be future ready.

Education is not only important for children in Hamilton County. The level of education an adult has directly affects their income and future economic prospects. The following maps show the percentages of the population that have either a high school or less education or higher education.

Figure 63: Percent of Population with a High School Education or Less by Census Tract for Hamilton County <sup>61</sup>

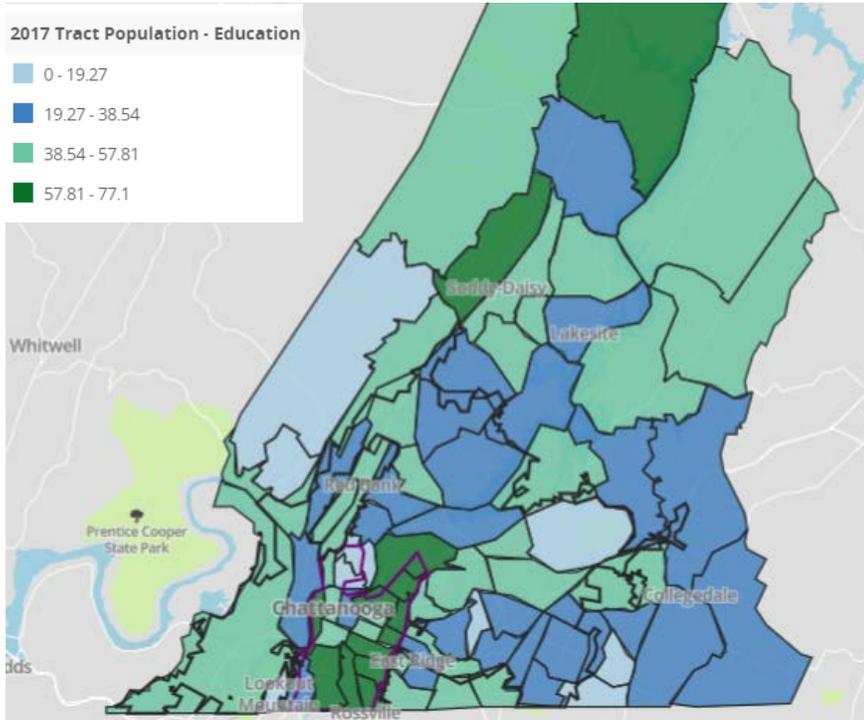


Figure 64: Percent of Population with a High School Education or Less by Census Tract for Chattanooga <sup>61</sup>

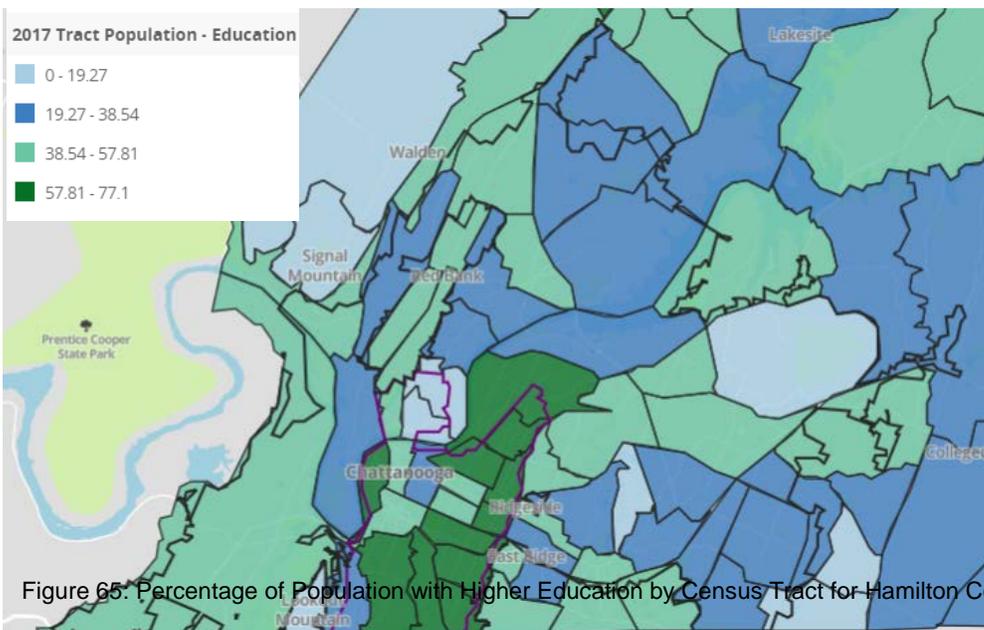


Figure 65: Percentage of Population with Higher Education by Census Tract for Hamilton County <sup>61</sup>

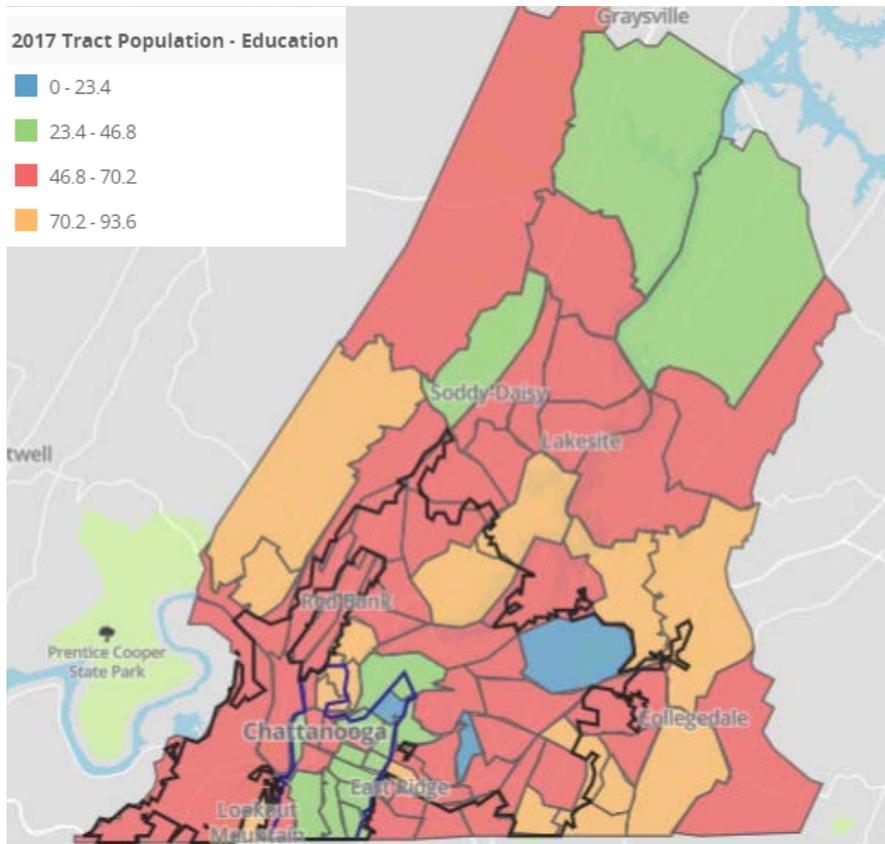
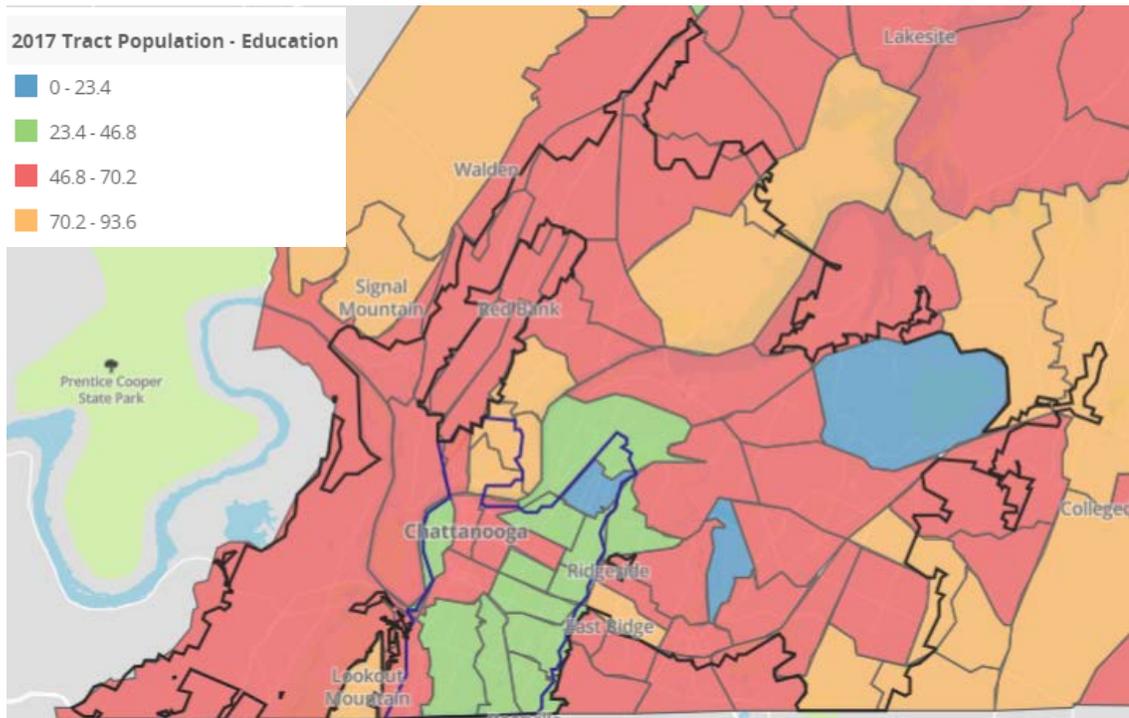


Figure 66: Percentage of Population with Higher Education by Census Tract for Chattanooga <sup>61</sup>



Within Chattanooga's urban core, the majority of the census tracts have at least 57.8 percent of the population with a high school education or less. These census tracts are the same census tracts which have the lowest income levels and the highest poverty rates in Hamilton County. (Figures 63, 64) However, these same census tracts do not have the lowest levels of people with higher education. Most of them have higher education populations in the range of 23-47%. (Figures 65, 66) Essentially, we are seeing college graduates with low incomes. This statistic indicates that not only is education mandatory for economic success, but there must also be well paying jobs available for those people to enter.

In the R/ECAP census tracts, the percentages of people with a high school education or less are some of the highest percentages in the county, with 60% or higher in most of them.

Chattanooga Median Annual Earnings have been trending upward over the last five years for people who hold college degrees. Earnings for those who have less than a college degree did trend up slightly but have settled back to a level lower than five years ago. This indicates that there is need for more residents to have access to higher education in order to bring themselves out of poverty and have access to more opportunities. When you look at education by census tracts, we find that there is a large percentage of census tracts where 40% or more of the population have a high school education or less. The census tracts that have more than 60% of the population with a high school education or less are concentrated within R/ECAP areas (123, 13, 25, 4, 19, 16, 122, 23, 26, and 24).

## Education Issues

**Issue 1:** Educational achievement is lower in all schools within the urban core.

**Issue 2:** Minorities have lower achievement rates in all schools than their white counterparts.

**Issue 3:** The lack of education above a high school diploma is highest in the LMI and R/ECAP areas.

## Internet Access

Chattanooga is the home of the World's Fastest Internet, delivered throughout the city via the only 100% Fiber Optic Network. Currently EPB provides internet to 103,991 customers, including households and businesses, in Hamilton County utilizes this internet, through the Electric Power Board (EPB) <sup>62</sup>. It is well known that access to the internet is essential in today's society to pay bills, apply for jobs, and complete schoolwork. In essence, access to reliable internet connections supports employment and education in our country. Without it, finding employment in a timely manner is difficult, if not nearly impossible. Use of the internet allows students to get the most from their education and allows them to complete assignments and monitor their grades, all of which are essential components of success in education.

According to the 2017 5-year ACS for Hamilton County, out of the 139,037 households in the county, 117,035 (84%) own at least one computer and 104,610 (75%) households have a broadband internet subscription. Ideally, every household in the county should have access to reliable broadband internet. For Chattanooga, 81.1% of households had a computer and 70.8% had a broadband internet subscription. <sup>63</sup>

Access to the internet first starts with access to computers or other computing devices. Looking at those people who have one or more types of computing devices, the following tracts fell below 60% of the population: 16 and 23, both of which are LMI tracts and R/ECAP areas. Those census tracts where less than 60% of the population has a computer only are 4, 12, 13, 14, 16, 19, 23, 24, 25, 26, 32, 122, and 123. All of these census tracts are LMI tracts and all but two are R/ECAP areas. This statistic is important because access to an actual desktop or laptop computer is essential for employment and education. The statistic for people with their smartphone as the only source of internet access is less than 20% across the board, however, the vast majority of those census tracts that are on the upper end of that limit are LMI and R/ECAP census tracts. When looking at the statistic for those people with no computer, we concentrated on those census tracts with higher than 20% of the population that had no computer. The census tracts that fell into this category were census tracts 4, 11, 12, 13, 16, 19, 20, 23, 25, 26, 31, 32, 33, 103.07, 104.35, 109.02, 110.01, 114.44, 114.45, and 122. Nearly all of the LMI and R/ECAP census tracts were included in this category. It is clear to see that in the LMI and R/ECAP census tracts, there is an obvious disadvantage to the rest of the city and county. <sup>63</sup>

After a closer look at internet access at a census tract level, there are a few census tracts that have disproportionately more people without internet access percentages over 40%). Census tracts 4, 12, 16, 19, 23, 25, 26, 32, and 122. All of these census tracts are LMI census tracts and six of them are R/ECAP census tracts. If you look at those with internet access, the census tracts with disproportionately more people with internet access only through a smartphone (greater than 10%) are 4, 12, 14, 16, 19, 23, 24, 25, 26, 104.35, and 123. Again, all but one of these census tracts are LMI tracts and all but two of them are R/ECAP tracts. It is clear that lack of access to internet is disproportionately higher in LMI and R/ECAP areas. <sup>63</sup>

### Internet Issues

**Issue 1:** Lack of access to internet is disproportionately higher in LMI and R/ECAP areas.

**Issue 2:** Access to computers is disproportionately higher among LMI and R/ECAP census tracts.

## Housing Accessibility

Housing accessibility refers to one's ability to move freely in their home and utilizes its amenities regardless of one's physical or cognitive ability. However, accessibility extends beyond that to a home's accessibility to businesses, pharmacies, medical care, and other amenities outside the home. Housing accessibility greatly impacts seniors who increasingly require accessible housing as they age, including ramps, universal design elements in their homes, and access to public transportation. This includes seniors who rent, and seniors who own their homes and wish to age in place. While accessibility is understandably focused on seniors, it is important to remember that younger disabled populations also need accessibility options, including children. Many programs focus on seniors and often shut out younger disabled populations from obtaining accessible housing.

### Seniors

Hamilton County's age distribution, as of the ACS July 1, 2018 estimates 17.6% of the population is 65 years and older. <sup>2</sup> This means that nearly 18% of the population requires reliable transportation, housing that allows for aging in place, and supportive services.

According to the ACS 2017 5-Year data on age dependency, a few census tracts have very high old-age dependency rates and child dependency rates (the total equaling more than 70%). <sup>3</sup> This seems to indicate that there could be a higher concentration of grandparents raising grandchildren. This shows up particularly in census tracts 12, 16, 19, 24, 25, 101.03, 104.31, 104.32, 104.35, 110.01, 110.02, 113.23, 113.25, 114.44, 117, 120, 121, and 122. This scenario occurs both in Chattanooga and Hamilton County. It is important to note that six of these are R/ECAP areas.

According to the presentation made at the 2017 Governors Summit on Aging Presentation <sup>64</sup>, which addressed aging populations and housing and identified gaps in affordable and accessible housing for low income seniors:

1. Subsidized rental units and vouchers are not available for all very low income seniors (or other low income households).
2. Affordable rental production does not meet the demand of the current or future low income renter population, including seniors.
3. Most rental subsidy and development programs have faced funding reductions in recent years (the LIHTC program is the exception).
  - HUD 202 program, which is the only program that specifically funds new development of affordable senior rental housing, has not received funding for new units since 2012.

4. There are not enough affordable accessible rental units.
5. Grant program funding for home modification/repair falls short of need.

A high percentage of seniors (90%) wanted to stay in their home for as long as possible, and 80% believe that they will always stay in their current residence. Since there is a high desire to age in place, the report also noted that there is a need for more support services for low income seniors, noting that “factors related to poverty- poor nutrition, lack of safe and stable housing, unemployment, income

Figure 67: Percent 65 and Older by Census Tract for Hamilton County <sup>3</sup>

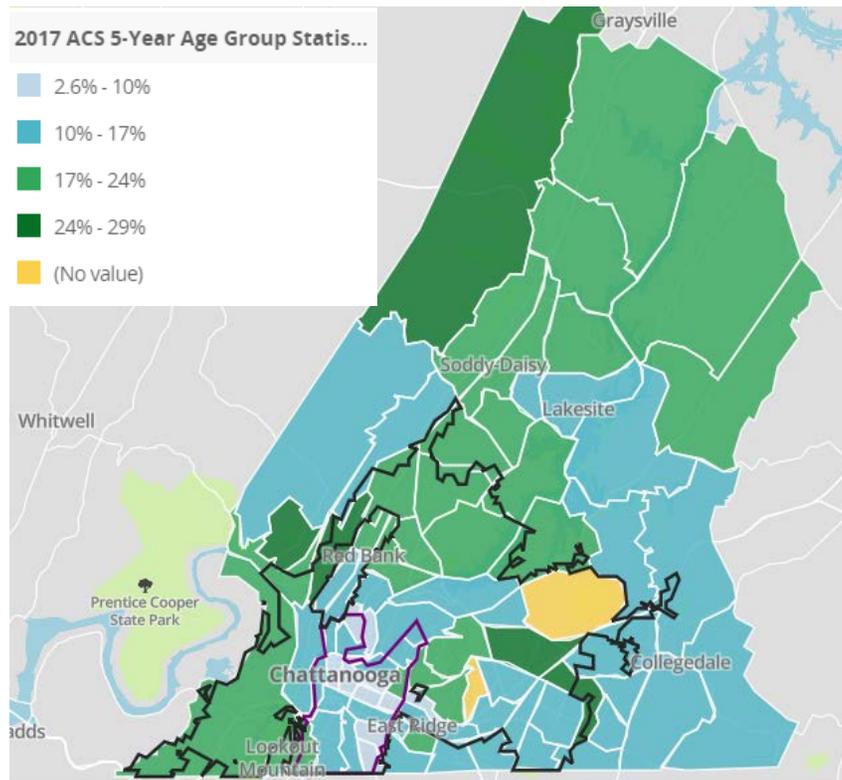
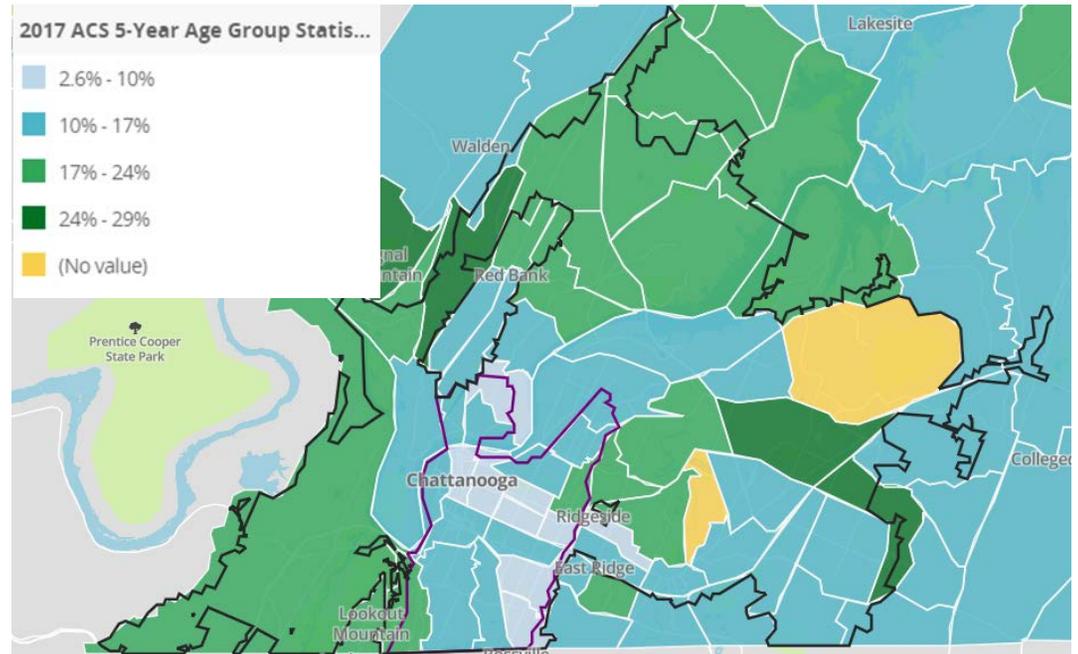


Figure 68: Percent 65 and Older by Census Tract for Chattanooga <sup>3</sup>



The highest concentrations of people 65 and older in Chattanooga, live outside the urban core, where public transportation is not as plentiful. (Figure 67) Within the urban core there are low levels of elderly. (Figure 68) Interestingly, in the county, the majority of seniors are living in census tracts with the lowest levels of poverty. In Chattanooga, one census tract, CT 12, does have 20.9% of the population 65 years and older.

About half of the census tracts with greater than 40% homeownership rates for those people 65 and older are located within the City of Chattanooga. <sup>34</sup> Census tract 12 is the only LMI census tract that has a homeownership rate for 65 and older, greater than 40%. This census tract

may be a good area to focus home rehabilitation programs geared toward the elderly. It might also be a good place to increase education on reverse mortgages and alternatives to them. However, this should be a county-wide effort, since there are an equal number of census tracts in the county that have elderly homeownership rates of over 40%.

## Persons with Disabilities

According to the 2017 5-Year ACS, the percent of persons in Hamilton County, under the age of 65, with a disability is 9.6%. This statistic breaks down further in the Table 11:

Table 11: Disability Statistics for Hamilton County <sup>65</sup>

Subject	2017		2015		Change	
	Number	Percent	Number	Percent	Number	Percent
<b>S10a. DISABLED BY AGE</b>						
Universe: Civilian noninstitutionalized population						
Civilian noninstitutionalized persons	357,973	-	350,105	-	7,868	2.25
With a disability	49,580	13.9	51,966	14.8	-2,386	-4.59
Persons 18 and under	78,518	21.9	74,498	21.3	4,020	5.4
With a disability	3,819	4.9	2,563	3.4	1,256	49.01
Persons 19 to 64 years	218,719	61.1	219,208	62.6	-489	-0.22
With a disability	23,509	10.7	26,820	12.2	-3,311	-12.35
Persons 65 years and over	60,736	17	56,399	16.1	4,337	7.69
With a disability	22,252	36.6	22,583	40	-331	-1.47

After speaking to the community through public meetings and surveys, we found that there is a need for affordable, decent, accessible housing. Respondents have noted that they have issues with landlords not wanting to make reasonable accommodations unless the tenant pays for it, which in most cases, they can't afford. This can also affect a person's voucher status, if the inability to find a unit in a timely manner causes the voucher to expire. An obstacle in getting a voucher is back-debt owed to CHA, because there are very few individuals on disability who can afford housing without a subsidy, and there are very limited subsidies available aside from those through CHA.

Tennessee Housing Development Agency, in their report "The Need for Affordable, Accessible, and Service Enriched Housing for Older Adults in Tennessee," noted two primary challenges with finding housing that is accessible to jobs, services and meets accessibility requirements. <sup>25</sup>

1. Location and Transportation. Finding units that meet accessibility requirements and are in a location close enough to supportive resources so that the individual is not isolated in their housing is a huge barrier. For those with mobility issues, CARTA is sometimes an option, but can still be costly for those with very little to no income. Additionally, there are safety

concerns for disabled individuals with a substantial portion of the affordable housing close to downtown.

2. **Affordability.** Finding affordable units close to those supportive resources is also a challenge. Even if someone has a voucher or other subsidy, they still have to find a landlord willing to take the fair market rate and comply with any ADA requirements. This is especially difficult for those with mental disabilities, who have difficulty self-advocating, and those with limited mobility, who might need additional accommodations such as a roll-in shower.

Another complaint from the disabled community is that even if a unit is identified that meets income limits, ADA guidelines, and is in a good location, there is no autonomy for individuals in choosing a unit that they like. Essentially, they need to take the first unit they find or risk losing their subsidy. There is a dire need for more accessible unit choices to ensure that our disabled residents can also enjoy fair housing choice. This is also why it is important to support Aging in Place programs. Currently, it is difficult for residents who own their homes to be able to age in place without additional accommodations needed for their homes. The Southeast Tennessee Development District has a rehabilitation program geared strictly to making homes accessible for homeowners. However, they have indicated that there are not enough funds to accommodate all of the need.

## Housing Accessibility Issues

**Issue 1:** There are some areas in Chattanooga and Hamilton County where there is a high concentration of senior homeowners living in poverty. This is especially true for census tract 12, with homeownership rates for elderly above 40%.

**Issue 2:** Based on survey data, residents are having trouble finding decent, affordable, accessible housing that does not require them to pay money to have a unit made accessible.

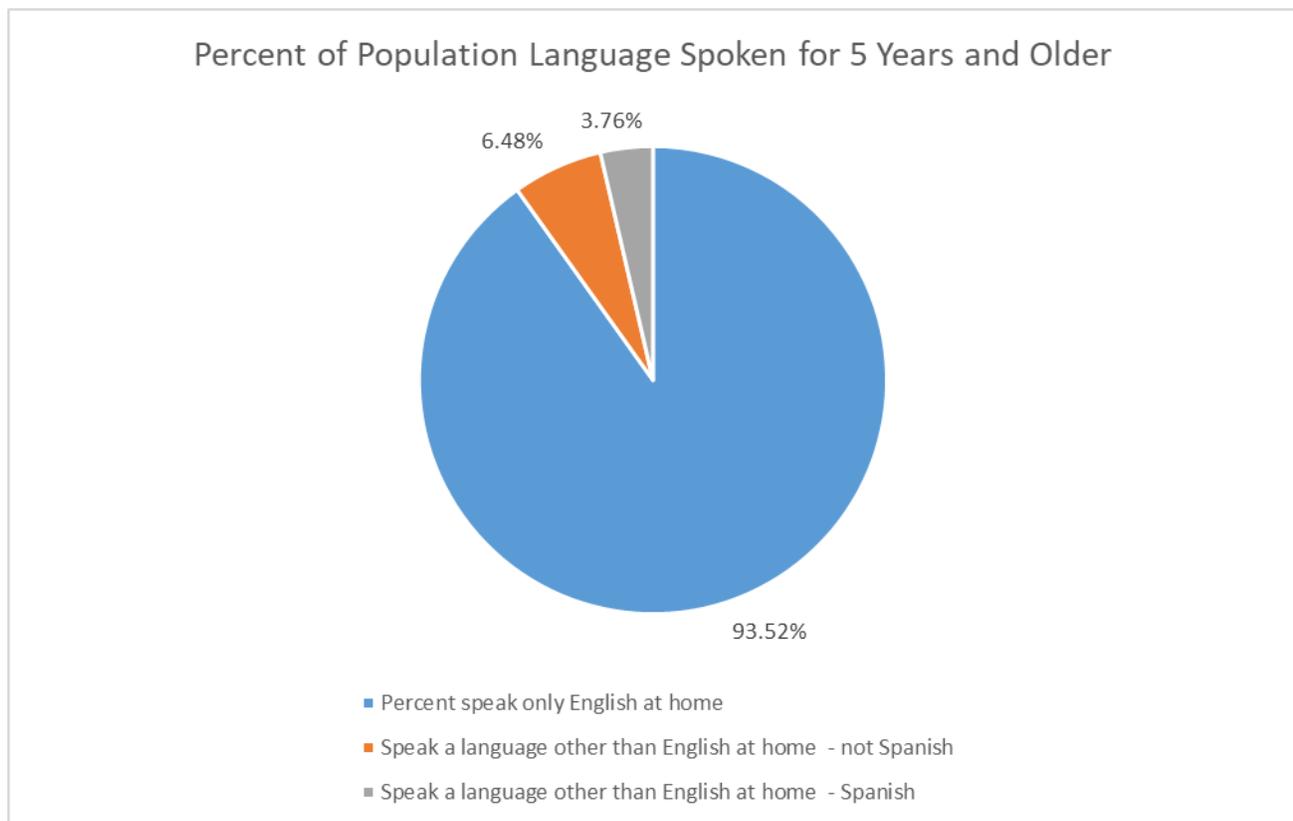
**Issue 3:** The number of elderly and disabled is expected to increase greatly by 2030, increasing the need for more accessible units, permanent supportive housing, affordable rental housing for seniors, and retrofitting of existing owned homes to increase accessibility.

## Language and Communication Barriers

In recent years, Chattanooga has seen significant growth among its Spanish-speaking population. Much of this can be attributed to job growth and the ensuing construction boom, attracting many Hispanic workers skilled in the construction trades. According to the 2017 5-Year ACS data, more than 10% of the population speaks a language other than English at home, and roughly 4% of the population is not fluent in English. (Figure 69)

Figure 69: Languages spoken by percentage of population <sup>3</sup>

Source: Census Bureau 2017 5-Year ACS Data



The majority of Hamilton County’s non-English speaking residents live within Chattanooga and in the Collegedale area. A close up of Chattanooga’s census tracts shows that nine tracts have a higher percentage of residents that speak languages other than English. Census tracts 23 and 24 (Figure 70 and 71 indicated in dark green) have the highest concentration of non-English speaking people.

Figure 70: Percentage of Non-English Speaking Households for Hamilton County (All Languages) <sup>3</sup>

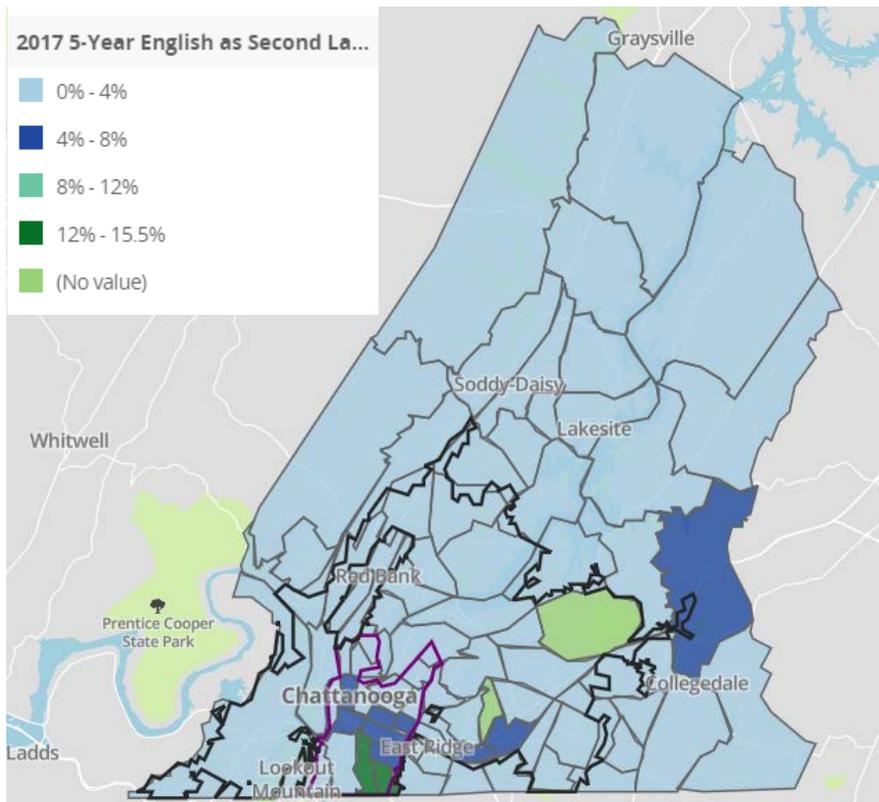
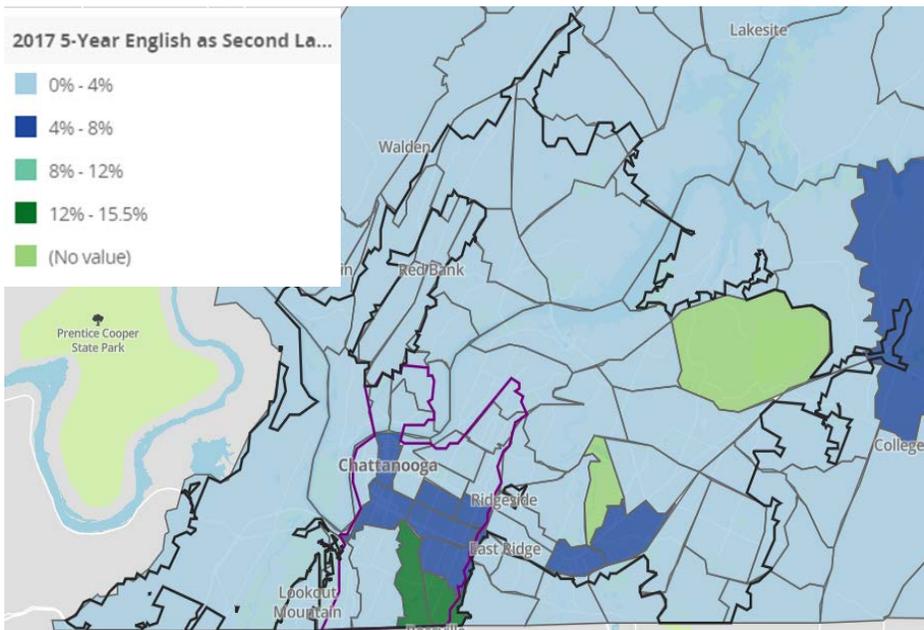


Figure 71: Percentage of Non-English-Speaking Households for Chattanooga (All Languages)



## Language and Communication Barriers Issues

**Issue 1:** Growing language barriers due to changing population and more specific housing education and outreach needs among Latino population.

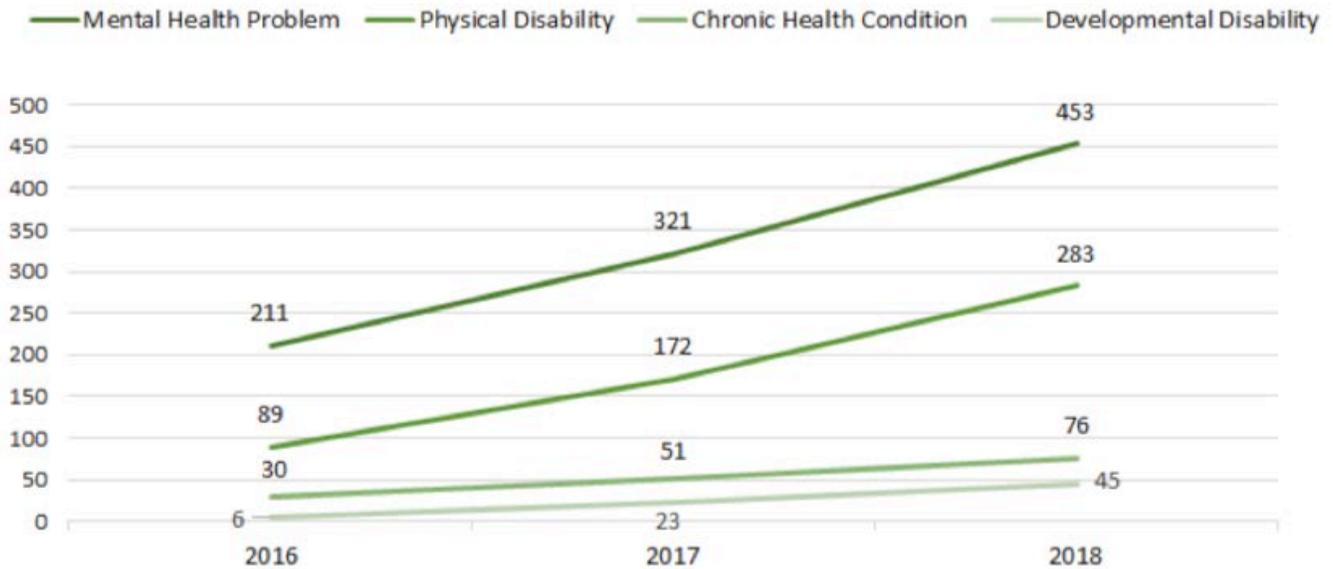
# Housing for Other Vulnerable Populations

## Homeless

Between 2016 and 2018, there was an overall spike in homeless people, including chronically homeless and unsheltered persons. However, homeless families dropped by nearly half since 2016.<sup>66</sup> Homelessness is a continual problem in Chattanooga bolstered by the lack of overall funds for homeless services and the continued failure to identify and correct the root causes of homelessness. Historically, African Americans, Latinos, and persons with disabilities are overly represented among the homeless population and those who are precariously housed, without permanent safe housing. Based on Chattanooga's Point in Time (PIT) Count for 2018, we see the following patterns:

- Homelessness has steadily increased since 2016, with recorded 2,024 homeless counted in 2018, representing a 37% increase.
- This increase is also seen with families with children, showing an increase of 25% from 2016 to 2018.
- Despite assumptions that homelessness mostly impacts adult males, in Chattanooga, the homeless count among men and women is nearly equivalent (724 men and 672 women in 2018)
- Homeless families with children are more likely to be African American; homeless individuals are more likely to be white
- Persons with disabilities are facing sharp increases in homelessness and greatly outweigh homelessness due to substance addiction.

## Physical and Mental Health Conditions



Source: HMIS Data

Source: 2018 Chattanooga Homeless Action Plan <sup>67</sup>

### Chattanooga Homeless Program

The City of Chattanooga has a Homeless Services Program assists individuals and families that are homeless as defined by the U.S. Department of Housing and Urban Development and are seeking housing, regardless of circumstance. Services are a 100% voluntary program and understand that there are those that are not seeking housing. The program is based off individual preference on the part of the client. Partnering with a variety of local organizations, the program offers a variety of assistance, such as: Medical, Substance abuse, or Mental Health Treatment.

In the FY 2020 City budget, Mayor Berke provided more than 1.3 million for the Chattanooga’s homeless program, which is up from \$731,644 in FY 2019 and \$462,000 for FY 2018.

### Chattanooga Homeless Nonprofits

Chattanooga has many nonprofits, whose mission it is to serve the homeless a precariously housed in Chattanooga. These agencies include, but are not limited to, the Chattanooga Homeless Coalition, Family Promise of Greater Chattanooga, Maclellan Shelter for Families, Partnership for Families, Children, and Adults, Chattanooga Room in the Inn, Welcome Home Chattanooga, Metropolitan Ministries, and the Chattanooga Community Kitchen.

## Hamilton County Emergency Assistance Program

Hamilton County provides matching funds to the City of Chattanooga's ESG contribution to the Emergency Assistance Program. The program is administered by Hamilton County and provides rapid rehousing and homeless prevention services in the form of short-term payments including rent and security deposit assistance and utility bill assistance.

## Ex-Offenders

It has been documented that drug incarcerations disproportionately affect minorities, particularly when it comes to extreme sentencing disparities between people who sell crack compared to powdered cocaine. These incarcerations lead to the degradation of families and long-term loss of employment and legal income, ensuring that minority families remain in poverty. Consequently, those who exit incarceration have higher instances of being homeless, unemployed, and at high risk of recidivism. With most landlords not willing to rent to ex-offenders, and the option of purchasing a home of their own far out of reach, finding a permanent housing situation is difficult at best. When you throw in the additional hardship of being unable to secure a steady income, permanent housing becomes all but impossible.

### First Step Act

As a result of the Act, federal prisoners are being re-evaluated based on rehabilitation needs and recidivism risk. Recently, 1,093 inmates were freed and 1,600 others received shorter sentences under the First Step Act. Those released were armed with information needed to be reintroduced into society.<sup>68</sup> This introduction of people with criminal backgrounds has the potential to compound the already existing problem with finding housing with a criminal background. There are currently a few agencies in Hamilton County that serve to reduce the effects of incarceration on people in Hamilton County.

### Chattanooga Endeavors

Chattanooga Endeavors helps former offenders to "develop healthy thinking patterns, meaningful work trajectories, effective coping strategies, positive social engagement, and positive interpersonal relationships." The program is set up in four stages, which starts with outreach to current prisoners. They are paired with a case manager and peer specialist who work with the parole officer to develop a release plan. After release they receive case management services and training programs to address antisocial cognition, antisocial companions, substance abuse, lack of employment, and antisocial recreation. Work-ready clients are given employment in partner businesses or given work training assignments at Chattanooga Endeavors or enter college.<sup>69</sup>

### The Next Door Chattanooga

The Next Door Chattanooga offers a unique program in partnership with the Tennessee Department of Correction. Women served by The Next Door in the Chattanooga area are “currently incarcerated, and receive short-term transitional services rooted in evidence-based practices to address the needs of the women.” Within months of release from incarceration, women are transported from prison to The Next Door Chattanooga’s Correctional Release Center. While at the Correctional Release Center, women work toward gaining job and life skills that will assist in a productive re-entry into society. This Correctional Release Center is the first of its kind for the State of Tennessee and Department of Correction, and is designed to equip these women for independent living, free from drug and alcohol abuse.<sup>70</sup>

### Hamilton County Alternative Sentencing Programs

The Hamilton County Alternative Sentencing Programs Department consists of five programs designed to serve offenders who are assigned by the Criminal, General Sessions and multiple Municipality Courts located in Hamilton County. The programs provide multiple levels of supervision to assist the courts in carrying out the intended type of supervision and offering an alternative to incarceration therefore reducing overcrowding in the Hamilton County Jail and Workhouse, while also providing services to the community through a variety of community service projects.<sup>71</sup>

### Other Fair Housing Issues

**Issue 1:** Lack of housing and case management resources for persons with physical and cognitive disabilities leads to a disproportionate number of homelessness among the disabled population.

**Issue 2:** Housing policies and practices towards renting to ex-offenders creates housing challenges for ex-felons to find permanent housing and rebuild their lives; this disproportionately impacts the African American community.

# Evaluation of Current Fair Housing Legal Status

## Overview

Today, the Tennessee Human Rights Act prohibits discrimination based on race, color, creed, religion, sex, national origin, familial status (housing only), and disability (employment and housing only). The City of Chattanooga's Fair Housing Opportunities Ordinance reflects these same protections. The Fair Housing Act also prohibits discrimination in the form of failing to provide reasonable accommodations which are necessary for a person to enjoy equal opportunity and use of a dwelling.

The City has a Fair Housing Program, which will be revamped after the conclusion of the Analysis of Impediments.

Currently, the program aims to promote truth, justice, peace, fairness, equality and local goodwill. In administering the fair housing program the City of Chattanooga <sup>72</sup>:

1. Addresses questions and concerns from citizens regarding fair housing rights and makes referrals to the City's Compliance Officer;
2. Serves as a resource in civil rights issues related to fair housing and equal opportunity;
3. Promotes fair housing law by providing trainings and works closely with housing practitioners, advocacy groups, human/social services agencies, community organizations and professional affiliates;
4. Works with various housing organizations to strengthen the promotion of housing equality;
5. Sponsors and partners in organizing annual events during April to promote National Fair Housing Month;
6. Supports various community initiatives that have a focus on accessibility, heritage and multiculturalism. Some examples include the Office of Multicultural Affairs (OMA) Advisory Board, Mayor's Council on Disability, and Martin Luther King Jr. Day of Service, M.L. King Community Celebration, ethnicity-based groups and disability rights organizations;

7. Conducts fair housing presentations for housing practitioners and area schools, colleges, and universities;
8. Provides exhibits at community functions and trade shows; and
9. Promotes placement of the equal opportunity logo on all printed materials.

The City's Community Housing Resource Board was dissolved nearly 10 years ago and its responsibilities were absorbed by the City. When the City gets a fair housing complaint, it is referred to the Office of the City Attorney, Compliance Officer (CO). The CO will contact the person making the complaint and provide them with the information they need to submit the complaint to the Tennessee Human Rights Commission or HUD.

## Events

Since the last Tennessee Analysis of Impediments to Fair Housing Choice in 2013 the following actions have occurred:

1. Continued outreach to landlords to educate about Fair Housing through annual conferences.
2. Continued education to housing consumers about Fair Housing through annual conferences and participation at community events.
3. Fair Housing testing was conducted throughout the City, until it was recently stopped.
4. Homebuyer education courses were supported in every year through Chattanooga Neighborhood Enterprise.
5. Fair Housing responsibilities were consolidated within the City to streamline the process.
6. Subrecipients of HUD funding were monitored annually for compliance with the Fair Housing Act.
7. Implemented Form Based code in a pilot area of the City, with intentions to increase the footprint later on.
8. The Office of Multicultural Affairs sponsored a Fair Housing Book Club, in which books were read relating to Fair Housing and the plight of disadvantaged populations across the country.
9. Community Development employees attended annual Fair Housing training.
10. Printed an updated version of RentWise, in Spanish and English, which outlined the rights of tenants and landlords in Tennessee. These were distributed in the office and at community events.

11. This past year, Chattanooga held its first Fair Housing Conference in celebration of 50 Years of the Fair Housing Act.
12. Annually every April, during Compliance Week, the City's Compliance Officer hosts a conference, which includes a Fair Housing seminar, open to the public.
13. The Office of Multicultural Affairs had bi-monthly Fair Housing Roundtable Meetings to educate those in the housing sector of Fair Housing rules, changes, and programs.

## Complaints

From July 1, 2015 through June 30, 2018, there were 26 cases filed in Hamilton County. Most of the complaints (16) were on a disability basis. The next most numerous cases (9) were race basis. The remainder of the cases were based on familial status (5), retaliation (3), and national origin and sex (1 each). Based on the numbers, some of the cases involved more than one basis. Of the total cases, 4 were HUD cases and 22 were Fair Housing Assistance Program cases.<sup>73</sup>

When we look more closely at the timeframe from October 1, 2016 through October 24, 2018, of the 26 cases filed, the numbers were identical to the three year time period, indicating that all of the cases were between October 1, 2016 and October 24, 2018. When we look at the cases filed, for the same period, by issue, there were 78 issues. This indicates that some cases filed pertained to more than one issue. The issues covered by these complaints were<sup>73</sup>:

Table 12: Issues indicated in Hamilton County fair housing complaints

Issue	Number
<b>Discriminatory Refusal to Rent</b>	14
<b>Discriminatory Advertising, Statements, and Notices</b>	2
<b>Discriminatory Terms, Conditions, Privileges, or Services and Facilities</b>	25
<b>Otherwise Deny or Make Housing Unavailable</b>	13
<b>Discriminatory Acts under Section 818 (interference, coercion, or intimidation)</b>	9
<b>Non-compliance with design and construction requirements</b>	1
<b>Failure to Permit Reasonable Modification</b>	2
<b>Failure to Make Reasonable Accommodation</b>	6

With the higher amount of discrimination cases due to disability, we need to look at the stock of accessible units in the City and how we can address shortfalls. In addition, several of the issues included in the complaints, many of them could relate to disability. Discriminatory Terms, Conditions, Privileges, or Services and Facilities had the highest occurrence when cases were looked at by issue. Discriminatory Refusal to Rent and Otherwise Deny or Make Housing Unavailable were the next highest. This data would indicate that there is a need for further education to landlords about fair housing, what actions are considered discriminatory, and how to identify discrimination in their leases, policies, and actions.

## Fair Housing Enforcement

Fair Housing Complaints are handled through a few avenues:

1. Through the City: When calls or complaints come in to the City, they are referred to the Compliance Officer (CO). The CO logs detailed information about the complaint, including name, address and phone number of the client, date and time of the complaint/call, if the party believes they are the subject of discrimination, details of the incident, and category of complaint.

The Compliance Officer will review the complaint and contact the client for more information. If the CO does not have jurisdiction to open a case, the CO will explain the complaint process to the client. A Office of the City Attorney – Compliance Office complaint form is given to the client for completion, which can be returned or mailed back to the Compliance Officer. Or, the client will be inform of the option(s) to file a complaint with a federal enforcement entity. Such as the Tennessee Human Rights Commission (THRC), Equal Employment Opportunity Commission and/or U. S. Department of Housing and Urban Development (HUD). Applications for these entities will be available for client if he/she (so choose to) file their complaint with a federal enforcement agency. Compliance Officer will explained the application process to the client and what can be expected. All complaints that come into the City are logged by the Compliance Officer.

2. Through HUD: HUD is the regulatory arm that handles housing discrimination claims, through its Office of Fair Housing and Equal Opportunity. Complaints can be filed directly to HUD and are assessed by the FHEO.

3. Through the Tennessee Human Rights Commission: An independent Fair Housing Assistance Program (FHAP) certified agency to manage fair housing cases in Tennessee.

## Legal Actions, and Court Cases

Chattanooga has had very few housing discrimination cases, however, there are a few worth mentioning.

### **Sheppard v. Tai-Chi Kwo (2019) Race and Disability Discrimination**

Potential buyers sued homeowners, alleging owners discriminated against them in the sale of their house on the basis of race (AA) and disability, and falsely accused them of trespass. Case was dismissed on summary judgment on the basis that plaintiffs failed to allege sufficient facts to make a prima facie case of housing discrimination. <sup>74</sup>

### **Hurst v. Hochman (2012) Sex Discrimination**

Tenant sued landlord alleging he engaged in repeated touching and sexual harassment. Tenant claimed landlord had committed a battery upon her, and sought damages for battery and intentional infliction of emotional distress, among other things. Court awarded plaintiff damages of \$2,500 for battery, but other claims were dismissed on summary judgment on the basis that tenant was charged and paid normal rent and that she was not deprived of any services that were available to other tenants. <sup>75</sup>

### **United States v. Fountainbleau Apartments L.P. (2008) Familial Status Discrimination**

U.S. sued owners, property managers, and the management company that refused to rent apartments to persons with children, discouraged families with children from applying, and steered families with children to another apartment complex. <sup>76</sup>

After the court granted summary judgment against them, the defendants settled, paying \$131,500 in monetary relief to 15 victims and the United States. <sup>77</sup>

### **Chattanooga Hous. Auth. V. Berke, (1985) Eminent Domain**

Landowners filed an interlocutory appeal of a judgment where the Circuit Court for Hamilton County held that the Chattanooga Housing Authority had the right to take an entire tract of the landowners' property through an eminent domain proceeding. The landowners argued that the taking would be in excess of the needs of the city. The court ruled that the Housing Authority had the power to take the entire tract because of its blight, to assemble it with other properties, and to sell it to an adjacent

landowner, and that Tennessee law did not give the landowners a right to upgrade and rehabilitate their property.<sup>78</sup>

### **Wamp v. Chattanooga Hous. Auth. (1975) Eminent Domain**

Interested citizens filed suit to enjoin the Housing Authority's construction of an apartment complex on Cameron Hill, a local landmark in Chattanooga where Boynton Park formerly was located. The suit was initiated in the State Chancery Court and was removed by the defendant to the United States District Court. The court held that the plaintiffs did not have standing under Tennessee law to maintain the suit in Tennessee Chancery Court and that the District Court had no removal jurisdiction. Accordingly, the action was dismissed.<sup>79</sup>

## **Concurrence with State Fair Housing Plan**

In both their 2013 and 2018 Analysis of Impediments to Fair Housing Choice, the State recommends, across the board, education, particularly in the areas of predatory lending, fair housing rights, and fair housing violations<sup>80</sup>. The 2013 plan identified the following public and private sector impediments:

### Private Sector

1. Discriminatory terms, conditions, privileges, or services and facilities in the rental markets
2. Discriminatory acts under Section 818 (coercion, etc.)
3. Failure to make reasonable accommodation or modification
4. Discriminatory patterns in home purchase loan denials
5. Discriminatory practices in predatory lending
6. Lack of sufficient education about fair housing law

### Public Sector

1. Lack of local fair housing ordinances or policies
2. Insufficient establishment and enforcement of building codes regarding special needs housing
3. Lack of local government understanding of duties of AFFH
4. Lack of uniformity of codes and land use policies

## Fair Housing Legal Status Issues

**Issue 1:** It is difficult to find ready accessible housing for disabled residents

**Issue 2:** Widespread knowledge of fair housing laws is still lacking among Chattanooga and Hamilton County landlords.

**Issue 3:** Critical housing is being abandoned due to NIMBYism and a general misunderstanding of what affordable housing means.

## State Laws

### LGBT Rights

Section 8 and LGBTQ people are not currently protected under federal or state law. The Department of Housing and Urban Development has had protections in place since 2012 for LGBTQ people seeking housing or services funded with HUD funds. However, Governor Haslam signed HB 600 in 2011, which, “prohibits local municipalities from passing non-discrimination laws that exceed the state law.” This effectively forbids the City of Chattanooga from creating a legally inclusive environment for its residents. The new law also revoked Nashville’s local ordinance requiring private businesses doing business with the City of Nashville, to protect LGBTQ people from discrimination, which was passed a month earlier. The closest the city has come is to protect city government employees from discrimination based on sexual orientation and gender identification.<sup>81</sup>

### Inclusionary Zoning and Rent Control

In 1996, a law was passed banning municipalities from implementing outright rent control on private residential or commercial property as a way to provide affordable housing.<sup>82</sup>

In April 2016, Governor Haslam signed into law a bill that will prevent cities from mandating affordable housing be included as a part of all new residential developments. This left municipalities with the ability to only use voluntary incentive-based models to control housing costs.<sup>83</sup>

In April 2018, the Governor Haslam signed SB 363, which further tightened restrictions on affordable housing initiatives by eliminating to use of voluntary incentive programs. “Prevent cities from imposing housing price constraints on developers in exchange for granting additional development rights.”<sup>84</sup>

## State Law Issues

Issue 1: State law will not allow Chattanooga and Hamilton County to apply stricter inclusionary and discrimination laws.

## Federal Initiatives

### First Step Act

Currently the criminal justice system is failing to rehabilitate prisoners, which is leading to the degradation of families, loss of opportunity, and consequently high recidivism rates. In an effort to counter this, the First Step Act was created, to “ensure people are prepared to come home from prison job-ready and have major incentives to pursue the life-changing classes that will help them succeed on the outside.”<sup>85</sup> The Act serves two purposes. One is to control out of control incarceration costs. The other is to ease the racial disparities inherent in enforcing punitive measures, particularly for non-violent drug offenses, predominantly held by minority populations. Furthermore, the law “gives judges more discretion in sentencing non-violent drug offenders, and eases some of the long mandatory-minimum sentences for convicts with only minor criminal records. It allows the government to more easily release seriously ill inmates and seeks to reconcile extreme sentencing disparities between people who sell crack compared to powdered cocaine. That provision alone has already freed 1,093 inmates and led to shorter sentences for 1,600 others.” The majority of the released inmates were drug offenders.<sup>68</sup>

As a result of the Act, federal prisoners are being re-evaluated based on rehabilitation needs and recidivism risk. Recently a couple thousand inmates were released under the First Step Act, armed with information needed to be reintroduced into society. This introduction of people with criminal backgrounds has the potential to compound the already existing problem with finding housing with a criminal background.

### HUD Fair Housing Guidance

Currently, HUD has issued guidance through the Office of General Counsel that states that there will likely be a “violation of the Fair Housing Act when housing providers employ blanket policies in refusing to rent or renew a lease based on an individual’s criminal history because such policies may have a disparate impact on racial minorities.”<sup>86</sup> As African-Americans and Hispanics are disproportionately affected by the criminal justice system, denying housing based on a criminal record will cause disparate impact on minority populations, and therefore violate Fair Housing Laws based on race.

## Trump Administration Policies

The National Fair Housing Alliance 2019 Fair Housing Trends Report notes that there are two actions that the Trump administration has taken to undermine fair housing. The first is the suspension of the Affirmatively Furthering Fair Housing regulation adopted in 2015. This halts the requirement that entities that receive federal funds must make measurable change to further fair housing in their jurisdictions. The second action is the release of a proposed rule to significantly alter the standard of proof for disparate impact. The changes would make disparate impact claims all but impossible.<sup>87</sup>

# Impediments and Strategies

After reviewing the identified issues derived from data analysis, community engagement, review of existing fair housing legal cases and complaints, and an assessment of current and future programs and policy, the following five key impediments and corresponding possible strategies were developed:

**Impediment 1:** Minorities are more likely to be economically disadvantaged and live in areas where they have less access to economic opportunities.

## **Possible Strategies:**

1. Coordinate economic and educational opportunities in R/ECAP areas through onsite informational fairs with outside partners. These events will incorporate information on housing, employment, and education options along with fair housing education information.
2. Establish efforts, in partnership with the Office of Multicultural Affairs, to identify Section 3 businesses and residents with skills and establish a Section 3 list for agencies that receive federal funds.
3. Explore partnerships to provide ride share programs to help people in these areas get access to these jobs.

## **Partners:**

Youth and Family Development

Economic and Workforce Development

Southeast Tennessee Development District

Area non-profits

Chattanooga Housing Authority

Office of Multicultural Affairs

**Impediment 2:** Minority children and children with English language barriers live in areas that limit access to a quality education.

**Possible Strategies:**

1. Partner with YFD to create safe waiting areas where parents can drop their kids off early for magnet school buses that pick up after the start of the workday.
2. Incorporate requirements for computer and internet access in all future PILOT and federally funded housing projects in these areas. Partner with schools and nonprofits to increase awareness of discounted internet access available.
3. Explore working with YFD to establish a list of college students that are willing to volunteer time to tutor students in R/ECAP areas.
4. Host magnet school fairs, in partnership with Hamilton County Department of Education, in R/ECAP census tracts and public housing sites to educate and assist families with magnet schools applications.

**Partners:**

Non-profit agencies that serve the Latino population  
Youth and Family Development  
Economic and Community Development  
Hamilton County Department of Education  
Chattanooga Housing Authority

**Impediment 3:** Low income persons with disabilities, minorities, and people with English language barriers have disproportionately fewer housing choices.

**Possible Strategies:**

1. Revise City housing programs to require more accessible units than federally required in multi-family developments.
2. Explore setting aside CDBG funds to provide accessibility accommodations for those who cannot afford them.

3. Explore working with non-profit partners to target financial literacy programs in R/ECAP areas and to disadvantaged populations, by having classes during community and neighborhood association meetings, and at churches.
4. Increase varied housing types through modified zoning (middle housing); spot zoning for multi-family development; streamlined permitting for small-scale rental housing like duplexes. Help support the expansion of Form Based Code.
5. Explore hosting an architectural design contest to find aesthetically pleasing options for built in accessibility for housing units. These options will be incorporated/favored into future housing developments funded by the City.
6. Work with subrecipients to target rehab programs in R/ECAP areas by using intentional place-based promotion and attending City-hosted informational fairs.
7. Explore revising City housing programs to provide additional points for projects located in R/ECAP areas.
8. Target Lead Hazards Reduction program outreach to R/ECAP areas to provide more lead safe homes for children.
9. Support the renovation of aging CHA housing sites through funding assistance
10. Support programs that work to house the hard-to-serve populations (disabled, ex-offenders, homeless)
11. Work with non-profits who work with ex-offenders to provide information on housing options and ex-offender friendly landlords
12. Explore various levels funding based on location of affordable housing projects

**Partners:**

Banks and Non-profit housing lenders

Non-profits that specialize in financial literacy (CNE, Operation HOPE, Catholic Charities, etc.)

Economic and Community Development (LDO, internal programs)

Housing Connections Teams

Chattanooga Housing Authority

For profit and non-profit developers

Agencies that specialize in prisoner re-entry programs

Agencies that specialize in homeless housing

Agencies that specialize in disabled housing

**Impediment 4:** Neighborhoods with a high concentration of minorities and poverty are not neighborhoods of choice, with higher rates of blight and crime, and less access to jobs, public transportation, and neighborhood services.

**Possible Strategies:**

1. Support developments that would include full service grocery stores in the urban core
2. Explore options to support redevelopment efforts involving place-based options for housing, transportation, education, recreation, and healthy living, as prescribed by the results of the Chattanooga-Hamilton County Regional Planning Agency's Area 3 Plan.
3. Explore reserving CDBG demolition funds for properties located in the R/ECAP areas.
4. Explore options to support place-based options transportation as prescribed by the results of CARTA's Redesign Plan, particularly with respect to the walkability and safety of bus stops.

**Partners:**

CARTA

Department of Transportation

Chattanooga Police Department

Chattanooga Housing Authority

Chamber of Commerce

Economic Development

Housing partners

Local Businesses

Southeast Tennessee Development District

**Impediment 5:** Fair Housing education and advocacy are not widespread.

**Possible Strategies:**

1. Provide CDBG funding to establish fair housing outreach and education efforts, with the intention of applying for the Fair Housing Initiative Program – Education and Outreach Initiative grant in a couple of years to scale up outreach efforts.
2. Explore partnering with local attorneys to assist with fair housing complaints in an effort to give people alternatives routes to reporting fair housing violations.
3. Establish effective fair housing outreach methods to the Hispanic community and increase the capacity of Hispanic community advocates to identify and assist with fair housing violations.
4. Create an email list for all area non-profits, landlords, developers, and advocacy groups to disseminate information related to fair housing, such as fair housing law changes, opportunities to comment on law changes, fair housing resources, and information to provide at their places.
5. Include the LGBT community in annual fair housing conferences to continue to increase awareness of their barriers to fair housing with the hope of increasing advocacy and options for the LGBT community.
6. Make fair housing literature readily accessible in English and in locally appropriate Spanish and distribute it throughout the city to educate citizens on what fair housing is and the applicable violations.

**Partners:**

Tennessee Human Rights Commission  
Chattanooga Housing Authority  
Neighborhood Services  
Chattanooga Neighborhood Enterprise  
Agencies that specialize in prisoner re-entry programs

Agencies that specialize in homeless housing

Agencies that specialize in disabled housing

Multicultural Affairs

## Strategies to Address Fair Housing Currently in Effect

### Zoning

The City adopted a downtown, form-based zoning code on June 21, 2016. The intent of this zoning is to promote development downtown by improving transportation standards, improve coherency between old and new development (in terms of use and size), reinforce and maintain character, promote preservation and encourage public involvement in local projects. The change to Form Based Code in specific areas was in response to the need for greater flexibility in urban development. According to the RPA's Article XVI Downtown Chattanooga Form-Based Code Report, the new code emphasizes downtown conservation and development; achieving design excellence; fostering housing diversity and varied housing types; increasing multi-modal transportation; and achieving greater sustainability.<sup>88</sup> As a result, parts of the city will see an increase in rental housing and smaller homes that, when combined with affordable housing programs, will provide new affordable housing options in the downtown core.

The City is also currently implementing a pilot Owner Occupied Duplex Program. This program is using three properties located on Milne Street to provide to people who will purchase the duplexes and live in one side of them, and rent the other as an affordable rental unit. The City will provide up to \$20,000 in a homebuyer incentive for the purchaser.

### Education

In order to improve the current educational ranking statistics, the Hamilton County Department of Education is implementing a district-wide plan called Future Ready 2023, which aims to increase student achievement and graduation rates. Thus far, the plan has been successful; the district outperformed the state in five of eight-grade band subject areas where no accountability areas were above the state last year. The district ranks first out of 142 districts in student growth index in grades 3-5 and second out of 146 districts in overall student growth.

Hamilton County Schools, as a district, ranked second in the state for overall TVAAS composite index score. The district was first in grades 3-5, sixteenth in the state in grades 6-8, and seventeenth in grades 9-12. <sup>89</sup>

Figure 72: Overall improvement in Hamilton County schools from 2017-2018 and 2018-2019 <sup>89</sup>

Grade Band	Subject	2017-18	2018-19
3rd-5th	ELA	Below State	Above State
	Math	Below State	Above State
6th-8th	ELA	Below State	Below State
	Math	Even	Above State
	Social Studies	Below State	Above State
9th-12th	HS English	Below State	Below State
	HS Math	Below State	Below State
	US History	Below State	Above State

### State Laws

As a result of the further discriminatory laws implemented in 2016, several Tennessee businesses created a coalition called Tennessee Thrives, to oppose anti-LGBTQ legislation in Tennessee.

### Lending Practices

First Tennessee Bank and Capital Bank, members of the First Horizon National Corp. (NYSE:FHN) family of companies, announced a five-year, \$3.95 billion community benefit plan to increase access to financial resources within low- to moderate-income (LMI) communities in Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia. The agreement will run from 2018 to 2022. The plan includes mortgage and small business lending, community development lending and investments, philanthropy and spending with minority-owned suppliers and marketing firms. It also includes innovative methods to increase the convenience and physical access to financial services in low- to moderate-income communities. <sup>90</sup>

### Internet Access

EPB offers low cost internet for students of Hamilton County schools, who qualify. This is their way of ensuring that every student has access to the internet they need to be successful in school. For those who do not have computers, Hamilton County has rolled out the One to One Initiative that provides a

Chromebook to every middle and high school student in the county that they can use at school and at home for education related activities.

## Future Strategies for Addressing Impediments

Issues identified as a result of the data analysis and community engagement were grouped into overarching impediments. From there, strategies were developed under these impediments to address the issues identified. The specific strategies that will be implemented and partner roles will be finalized in early 2020. All of the issues identified will be addressed through the strategies listed below:

**Impediment 1:** Minorities are more likely to be economically disadvantaged and live in areas where they have less access to economic opportunities.

### Possible Strategies:

1. Coordinate economic and educational opportunities in R/ECAP areas through onsite informational fairs with outside partners. These events will incorporate information on housing, employment, and education options along with fair housing education information.
2. Establish efforts, in partnership with the Office of Multicultural Affairs, to identify Section 3 businesses and residents with skills and establish a Section 3 list for agencies that receive federal funds.
3. Explore partnerships to provide ride share programs to help people in these areas get access to these jobs.

**Impediment 2:** Minority children and children with English language barriers live in areas that limit access to a quality education.

### Possible Strategies:

1. Partner with YFD to create safe waiting areas where parents can drop their kids off early for magnet school buses that pick up after the start of the workday.

2. Incorporate requirements for computer and internet access in all future PILOT and federally funded housing projects in these areas. Partner with schools and nonprofits to increase awareness of discounted internet access available.
3. Explore working with YFD to establish a list of college students that are willing to volunteer time to tutor students in R/ECAP areas.
4. Host magnet school fairs, in partnership with Hamilton County Department of Education, in R/ECAP census tracts and public housing sites to educate and assist families with magnet schools applications.

**Impediment 3:** Low income persons with disabilities, minorities, and people with English language barriers have disproportionately fewer housing choices.

**Possible Strategies:**

1. Revise City housing programs to require more accessible units than federally required in multi-family developments.
2. Explore setting aside CDBG funds to provide accessibility accommodations for those who cannot afford them.
3. Explore working with non-profit partners to target financial literacy programs in R/ECAP areas and to disadvantaged populations, by having classes during community and neighborhood association meetings, and at churches.
4. Increase varied housing types through modified zoning (middle housing); spot zoning for multi-family development; streamlined permitting for small-scale rental housing like duplexes. Help support the expansion of Form Based Code.
5. Explore hosting an architectural design contest to find aesthetically pleasing options for built in accessibility for housing units. These options will be incorporated/favored into future housing developments funded by the City.

6. Work with subrecipients to target rehab programs in R/ECAP areas by using intentional place-based promotion and attending City-hosted informational fairs.
7. Explore revising City housing programs to provide additional points for projects located in R/ECAP areas.
8. Target Lead Hazards Reduction program outreach to R/ECAP areas to provide more lead safe homes for children.
9. Support the renovation of aging CHA housing sites through funding assistance
10. Support programs that work to house the hard-to-serve populations (disabled, ex-offenders, homeless)
11. Work with non-profits who work with ex-offenders to provide information on housing options and ex-offender friendly landlords
12. Explore various levels funding based on location of affordable housing projects

**Impediment 4:** Neighborhoods with a high concentration of minorities and poverty are not neighborhoods of choice, with higher rates of blight and crime, and less access to jobs, public transportation, and neighborhood services.

**Possible Strategies:**

1. Support developments that would include full service grocery stores in the urban core
2. Explore options to support redevelopment efforts involving place-based options for housing, transportation, education, recreation, and healthy living, as prescribed by the results of the Chattanooga-Hamilton County Regional Planning Agency's Area 3 Plan.
3. Explore reserving CDBG demolition funds for properties located in the R/ECAP areas.

4. Explore options to support place-based options transportation as prescribed by the results of CARTA's Redesign Plan, particularly with respect to the walkability and safety of bus stops.

**Impediment 5:** Fair Housing education and advocacy are not widespread.

**Possible Strategies:**

1. Provide CDBG funding to establish fair housing outreach and education efforts, with the intention of applying for the Fair Housing Initiative Program – Education and Outreach Initiative grant in a couple of years to scale up outreach efforts.
2. Explore partnering with local attorneys to assist with fair housing complaints in an effort to give people alternatives routes to reporting fair housing violations.
3. Establish effective fair housing outreach methods to the Hispanic community and increase the capacity of Hispanic community advocates to identify and assist with fair housing violations.
4. Create an email list for all area non-profits, landlords, developers, and advocacy groups to disseminate information related to fair housing, such as fair housing law changes, opportunities to comment on law changes, fair housing resources, and information to provide at their places.
5. Include the LGBT community in annual fair housing conferences to continue to increase awareness of their barriers to fair housing with the hope of increasing advocacy and options for the LGBT community.
6. Make fair housing literature readily accessible in English and in locally appropriate Spanish and distribute it throughout the city to educate citizens on what fair housing is and the applicable violations.

## Next Steps

In an effort to bring the AI into the forefront of all of Community Development's activities, we will establish a Fair Housing Mission Statement to guide our projects and ensure that they further the City's mission to further fair housing in Chattanooga. Over the next few months, Community Development

staff will have several meetings with the identified partners to finalize which strategies will go forward and corresponding roles for all partners. Performance measures will be established for each strategy and a tracking mechanism established. During the month of April 2020, we intend to roll out the first of these strategies, in honor of Fair Housing Month.

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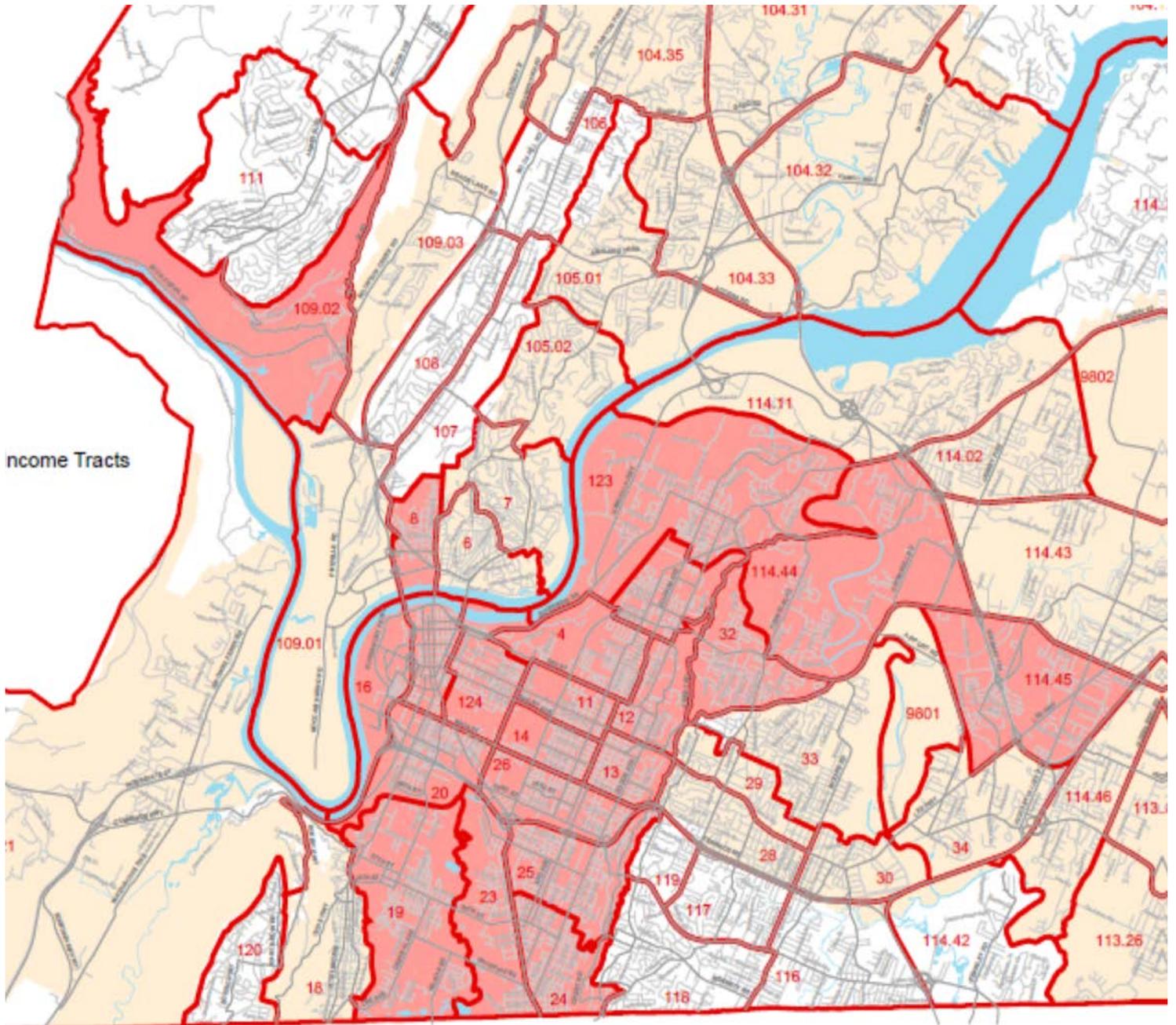
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# Appendix A: Census Tract Map

Figure 72: HUD 2010 Low and Moderate Income Census Tracts



# Appendix B: HUD Income and Rent Limits

Below is a breakdown, based on the HUD Median Income of \$70,100, for the maximum incomes that a family can make to be eligible for HUD housing programs.

Table 12: 2019 Income limits

Source: NOVOGRADAC. Rent and Income Limit Calculator. August 14, 2019. <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>

Income Limits for 2019 (Based on 2019 50% VLI Income Limits)								
	Charts	60.00%	30.00%	50.00%	60.00%	80.00%	100.00%	120.00%
1 Person	☞	28,500	14,250	23,750	28,500	38,000	47,500	57,000
2 Person	☞	32,580	16,290	27,150	32,580	43,440	54,300	65,160
3 Person	☞	36,660	18,330	30,550	36,660	48,880	61,100	73,320
4 Person	☞	40,680	20,340	33,900	40,680	54,240	67,800	81,360
5 Person	☞	43,980	21,990	36,650	43,980	58,640	73,300	87,960
6 Person	☞	47,220	23,610	39,350	47,220	62,960	78,700	94,440
7 Person	☞	50,460	25,230	42,050	50,460	67,280	84,100	100,920
8 Person	☞	53,700	26,850	44,750	53,700	71,600	89,500	107,400
9 Person	☞	56,940	28,470	47,450	56,940	75,920	94,900	113,880
10 Person	☞	60,180	30,090	50,150	60,180	80,240	100,300	120,360
11 Person	☞	63,480	31,740	52,900	63,480	84,640	105,800	126,960
12 Person	☞	66,720	33,360	55,600	66,720	88,960	111,200	133,440

Table 13: 2019 Fair Market Rents

Source: NOVOGRADAC. Rent and Income Limit Calculator. August 14, 2019. <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/rent-income-limit-calculator>

Rent Limits for 2019 (Based on 2019 50% VLI Income Limits)											
Bedrooms (People)	Charts	60.00%	30.00%	50.00%	60.00%	80.00%	100.00%	120.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)	☞	712	356	593	712	950	1,187	1,425	585	585	585
1 Bedroom (2.0)	☞	814	407	678	814	1,086	1,357	1,629	694	636	694
2 Bedrooms (3.0)	☞	916	458	763	916	1,222	1,527	1,833	847	763	847
3 Bedrooms (4.0)	☞	1,017	508	847	1,017	1,356	1,695	2,034	1,099	881	1,099
4 Bedrooms (5.0)	☞	1,099	549	916	1,099	1,466	1,832	2,199	1,344	983	1,220
5 Bedrooms (6.0)	☞	1,180	590	983	1,180	1,574	1,967	2,361		1,085	1,328

## Appendix C: Additional Education Data

Figure 73: Academic indicators for priority schools for 2018 – 2019

Source: Tennessee Department of Education. Data Downloads and Requests – School-level 2018 Accountability Files.

<https://www.tn.gov/education/data/data-downloads.html>

Academic Indicators for Priority Schools					
Category	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
	Brainerd High				
Black/African American	5.9%	54.2%	74.6%	Level 1	*
Hispanic	-	-	-	Level 1	*
Economically Disadvantaged	5.3%	57.4%	78.2%	Level 1	*
Students with Disabilities	40.6%	53.8%	60%	Level 1	*
White	-	-	-	-	-
	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
	Calvin Donaldson				
Black/African American	5.6%	19.2%	NA	Level 3	NA
Hispanic	-	1.8%	NA	Level 4	NA
Economically Disadvantaged	6.2%	18.4%	NA	Level 3	NA
Students with Disabilities	-	19.1%	NA	Level 3	NA
White	-	-	NA	-	NA
	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
	Clifton Hills				
Black/African American	<5%	18%	NA	Level 3	NA
Hispanic	7.3%	2.5%	NA	Level 1	NA
Economically Disadvantaged	5.3%	9.8%	NA	Level 2	NA
Students with Disabilities	-	12.8%	NA	Level 3	NA
White	-	-	NA	-	NA

	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	Dalewood Middle				
<b>Black/African American</b>	12.5%	21.1%	NA	Level 4	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	12.3%	25.3%	NA	Level 4	NA
<b>Students with Disabilities</b>	16.2%	24.3%	NA	Level 2	NA
<b>White</b>	-	-	NA	Level 2	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	Hardy Elementary				
<b>Black/African American</b>	7.6%	16.7%	NA	Level 1	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	8.7%	19.1%	NA	Level 1	NA
<b>Students with Disabilities</b>	-	22.4%	NA	Level 3	NA
<b>White</b>	-	-	NA	-	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	The Howard School				
<b>Black/African American</b>	*	59.3%	75.6%	Level 1	*
<b>Hispanic</b>	5.2%	43%	50.9%	Level 1	*
<b>Economically Disadvantaged</b>	*	58%	75.2%	Level 1	*
<b>Students with Disabilities</b>	5.0%	53.8%	-	Level 1	-
<b>White</b>	-	-	-	Level 4	-
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	Orchard Knob Elementary				
<b>Black/African American</b>	6.5%	17.5%	NA	Level 1	NA
<b>Hispanic</b>	14.5%	5.9%	NA	Level 3	NA

<b>Economically Disadvantaged</b>	7.5%	17.3%	NA	Level 1	NA
<b>Students with Disabilities</b>	-	17%	NA	Level 3	NA
<b>White</b>	-	-	NA	-	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	Orchard Knob Middle				
<b>Black/African American</b>	9.5%	36.2%	NA	Level 3	NA
<b>Hispanic</b>	6.2%	9.1%	NA	Level 4	NA
<b>Economically Disadvantaged</b>	8.7%	39.1%	NA	Level 3	NA
<b>Students with Disabilities</b>	14.5%	28.7%	NA	Level 5	NA
<b>White</b>	-	-	NA	-	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
	Woodmore Elementary				
<b>Black/African American</b>	8.7%	14.9%	NA	Level 3	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	9.5%	15.8%	NA	Level 3	NA
<b>Students with Disabilities</b>	-	22.9%	NA	Level 3	NA
<b>White</b>	-	-	NA	-	NA

- Indicates that valid test scores is less than 10

\* Proficiency level is less than 5% or greater than 95% at the school level

Figure 74: Academic indicators for reward schools for 2018 – 2019

Source: Tennessee Department of Education. Data Downloads and Requests – School-level 2018 Accountability Files.

<https://www.tn.gov/education/data/data-downloads.html>

Academic Indicators for Reward Schools					
Category	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
Allen Elementary					
Black/African American	-	-	NA	-	NA
Hispanic	-	-	NA	-	NA
Economically Disadvantaged	34.2%	13.3%	NA	Level 5	NA
Students with Disabilities	20%	13.8%	NA	Level 5	NA
White	56.9%	7.8%	NA	Level 5	NA
	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
Apison Elementary					
Black/African American	48.5%	0%	NA	Level 3	NA
Hispanic	-	10.3%	NA	Level 3	NA
Economically Disadvantaged	46.6%	12.5%	NA	Level 3	NA
Students with Disabilities	41.7%	10.1%	NA	Level 3	NA
White	73.1%	4.2%	NA	Level 5	NA
	Achievement	Chronic Absenteeism	Graduation Rate	Growth	Ready Graduates
Bess T. Shepherd					
Black/African American	20.4%	5%	NA	Level 5	NA
Hispanic	20.1%	3.2%	NA	Level 4	NA
Economically Disadvantaged	18.4%	6%	NA	Level 4	NA
Students with Disabilities	7.7%	5.7%	NA	Level 4	NA
White	30.6%	2.8%	NA	Level 2	NA

	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Normal Park Museum Magnet School					
<b>Black/African American</b>	29.2%	0%	NA	Level 4	NA
<b>Hispanic</b>	50%	0%	NA	Level 4	NA
<b>Economically Disadvantaged</b>	35.3%	7.8%	NA	Level 3	NA
<b>Students with Disabilities</b>	39.4%	5.4%	NA	Level 3	NA
<b>White</b>	72.1%	3%	NA	Level 4	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Chattanooga High Center For Creative Arts					
<b>Black/African American</b>	48%	12.1%	-	Level 3	-
<b>Hispanic</b>	-	-	-	-	-
<b>Economically Disadvantaged</b>	-	19.6%	-	Level 1	-
<b>Students with Disabilities</b>	-	16.2%	-	-	-
<b>White</b>	70.4%	11%	100%	Level 3	88.5%
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Chattanooga School For Arts And Sciences CSAS Upper					
<b>Black/African American</b>	34.2%	2.5%	100%	Level 4	43.2%
<b>Hispanic</b>	-	-	-	-	-
<b>Economically Disadvantaged</b>	-	8.6%	-	Level 3	-
<b>Students with Disabilities</b>	-	-	-	Level 2	-
<b>White</b>	64.1%	4.8%	100%	Level 5	79.5%
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Chattanooga School For The Arts And Science CSAS Lower					
<b>Black/African American</b>	23%	1%	NA	Level 4	NA
<b>Hispanic</b>	-	-	NA	-	NA

<b>Economically Disadvantaged</b>	-	2.6%	NA	Level 3	NA
<b>Students with Disabilities</b>	-	3.8%	NA	Level 3	NA
<b>White</b>	59.4%	0.8%	NA	Level 5	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
McConnell Elementary					
<b>Black/African American</b>	-	-	NA	-	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	34.7%	19.1%	NA	Level 5	NA
<b>Students with Disabilities</b>	26.7%	11.1%	NA	Level 4	NA
<b>White</b>	58.9%	9.7%	NA	Level 5	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Hamilton County Collegiate High at Chattanooga State					
<b>Black/African American</b>	-	-	-	-	-
<b>Hispanic</b>	-	-	-	-	-
<b>Economically Disadvantaged</b>	-	-	-	-	-
<b>Students with Disabilities</b>	-	-	-	-	-
<b>White</b>	-	1.2%	95.5%	Level 4	79.5%
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Loftis Middle School					
<b>Black/African American</b>	-	-	NA	Level 3	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	48.5%	27.4%	NA	Level 5	NA
<b>Students with Disabilities</b>	34.7%	20.5%	NA	Level 5	NA
<b>White</b>	66.2%	16.6%	NA	Level 5	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>

Lookout Mountain Elementary					
<b>Black/African American</b>	-	-	NA	-	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	-	-	NA	-	NA
<b>Students with Disabilities</b>	-	-	NA	-	NA
<b>White</b>	79.6%	1.9%	NA	Level 3	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Hixson Elementary					
<b>Black/African American</b>	10.4%	3.4%	NA	Level 3	NA
<b>Hispanic</b>	27.4%	5.5%	NA	Level 4	NA
<b>Economically Disadvantaged</b>	17.8%	6.8%	NA	Level 4	NA
<b>Students with Disabilities</b>	9.9%	8.7%	NA	Level 5	NA
<b>White</b>	38.6%	6.1%	NA	Level 5	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Nolan Elementary					
<b>Black/African American</b>	-	-	NA	-	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	-	7.5%	NA	Level 3	NA
<b>Students with Disabilities</b>	-	10.9%	NA	-	NA
<b>White</b>	77%	4.3%	NA	Level 3	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Chattanooga School For The Liberal Arts					
<b>Black/African American</b>	36.8%	1.1%	NA	Level 2	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	-	0%	NA	-	NA

<b>Students with Disabilities</b>	-	0%	NA	-	NA
<b>White</b>	77.6%	1.7%	NA	Level 3	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Signal Mountain Middle/High School					
<b>Black/African American</b>	-	-	-	-	-
<b>Hispanic</b>	-	2.8%	-	Level 3	-
<b>Economically Disadvantaged</b>	40%	19.6%	-	Level 4	-
<b>Students with Disabilities</b>	31.5%	4.0%	-	Level 3	-
<b>White</b>	62.2%	6.8%	97.3%	Level 3	72.6%
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Soddy Elementary					
<b>Black/African American</b>	-	-	NA	-	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	27.5%	22.4%	NA	Level 5	NA
<b>Students with Disabilities</b>	19.8%	19.6%	NA	Level 4	NA
<b>White</b>	50.8%	11.6%	NA	Level 5	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
Westview Elementary					
<b>Black/African American</b>	31.4%	6.7%	NA	Level 3	NA
<b>Hispanic</b>	-	-	NA	-	NA
<b>Economically Disadvantaged</b>	-	8.6%	NA	Level 3	NA
<b>Students with Disabilities</b>	33.8%	7%	NA	Level 3	NA
<b>White</b>	64.6%	4.1%	NA	Level 4	NA
	<b>Achievement</b>	<b>Chronic Absenteeism</b>	<b>Graduation Rate</b>	<b>Growth</b>	<b>Ready Graduates</b>
STEM School Chattanooga					

<b>Black/African American</b>	-	8.3%	-	Level 2	-
<b>Hispanic</b>	-	-	-	-	-
<b>Economically Disadvantaged</b>	-	9.8%	-	Level 4	-
<b>Students with Disabilities</b>	-	-	-	-	-
<b>White</b>	62.8%	2.3%	90.7%	Level 2	69.8%

- Indicates that valid test scores is less than 10

## Appendix D: Current City, County, and State Programs

## Tax Relief Programs

These programs assist economically disadvantaged minority communities and other precariously housed groups with property tax relief.

### City of Chattanooga Tax Relief Program

City government administers this state program.

### City of Chattanooga Tax Freeze Program

The Chattanooga City Council passed senior tax freeze policy in 2018. This policy freezes the property tax rate for qualified citizens in the event the City imposes a tax increase in a given year. Certification for the tax freeze must be renewed annually.

### Tennessee Tax Relief Program

The state has offered a tax relief program for more since the U.S. Constitution was amended in 1972 to mandate property tax relief for seniors, disabled seniors, disabled veterans and spouses of deceased disabled veterans. The program is administered through county trustee offices or municipalities in Tennessee. Property owners qualify if you are 65 years of age or older and the total income of those listed on the property deed is \$29,270 or below.

### Hamilton County Tax Relief Program

County government administers the state program and offers a supplemental program paid for by Hamilton County taxpayers.

### City of Chattanooga Water Quality Fee Relief Program

Any Chattanooga property owner who meets the requirements for property tax relief also qualify to have a portion of their water quality fee paid for through the United Way. Recertification is required each year.

### Averaged Property Tax Relief

The tax relief program yields approximately a 25 percent savings on assessed taxes. Based on averages of the tax relief programs, a property owner living in the City of Chattanooga could receive \$563 of relief on property taxes.

Source: Flessner, Dave. "City moves to create tax increment district to aid East Chattanooga." Chattanooga Times Free Press. October 7, 2019.

<https://www.timesfreepress.com/news/local/story/2019/oct/07/city-moves-create-tax-increment-district-aid-east-chattanooga/505266/>

## Housing Initiatives and Programs

These programs serve to increase the stock of affordable housing which will benefit economically disadvantaged minority communities and other precariously housed groups.

### Grass Roots Initiatives

The organization, Chattanooga for Organized Action is looking into building support for a Community Land Trust.

### Chattanooga Land Bank

The City of Chattanooga passed an ordinance in 2014 after the State passed a law allowing Land Banks, to start a land bank. It received its 501 c3 in 2016.

### City of Chattanooga Affordable Housing Fund

The city will invest \$1 million a year into an Affordable Housing Trust to develop affordable housing in the city.

### City of Chattanooga PILOT Program

The Residential PILOT Program is a financial incentive, which is designed to encourage multi-family rental development by freezing property taxes at the predevelopment level for a predetermined period of time.

To be eligible for a PILOT, the building renovations, site improvements, or new construction must be: 1. Fifty (50%) percent or greater of the residential rental units must be affordable to tenants with incomes that do not exceed 80% of the Area Median Income. At least fifty (50%) percent of the total number of rental units in the development must be rented at a rate that is deemed to be affordable according to HUD guidelines. According to those guidelines, affordable generally means those households with annual incomes that are no higher than eighty (80%) percent of the Area Median Income (AMI). Specifically, the rental rate for the units may not exceed thirty (30%) percent of the maximum allowable annual income. Project minimum is \$5,000,000.

## Economic Development Initiatives and Programs

These programs serve to increase economic opportunity for economically disadvantaged minority communities as well as create jobs and business revitalization in low income and distressed areas.

Source: City of Chattanooga. "Economic Development." [www.empowerchatt.com](http://www.empowerchatt.com)

### City of Chattanooga Small Business Corridor Program

A fund set up initially with \$500,000 to assist small businesses with renovations, equipment, inventory, and website development and marketing.

Loans will require matching funds from the business in these amounts:

- › \$500 to \$5,000 loan: 12 percent match
  
- › Above \$5,000 to \$15,000: 18 percent
  
- › Above \$15,000 to \$25,000: 25 percent

## Growing Small Business Incentive Grant

This grant is available to small businesses that are located within the Chattanooga city limits. Companies must create a minimum of 5 full time jobs (or a corresponding number of full time equivalent jobs) within the previous 18 months prior to application for the grant. Full time jobs are considered jobs where employees work and are paid for at least 30 hours per week. Eligible companies must not employ more than 100 total employees in across all locations. The award amount is based on a multiplier of \$1,000/per job. The multiplier is based on the average hourly wage of the jobs created compared to the average way across all occupations as determined and published by the U.S. Bureau of Labor Statistics. Award amounts vary. Average awards are typically between \$4,400 and \$8,800. Maximum award amount in a given year is \$10,000.

## Innovation Grant

The Innovation District is approximately a quarter-mile walk radius from the intersection of M.L. King Boulevard and Georgia Avenue. The area is a catalytic mix of start-up businesses, business incubators, and accelerators along innovation economy generators and amenities.

This grant is available to rapidly growing innovative companies that are located within the Chattanooga city limits. Companies must create a minimum of 10 full time jobs within the previous 18 months prior to application for the grant. Full time jobs are considered jobs where employees work and are paid for at least 30 hours per week. Employees must work in and be based in Chattanooga. Jobs created where employees work remotely will not be considered. The award amount is \$1,000/per job. This is a discretionary award. The innovative nature of an applicant company will be vetted by a Review Committee.<sup>73</sup>

## Renewing Chattanooga Grant

This grant is for small businesses located within the Chattanooga city limits. Companies must be making significant capital investments in under-served or low income communities and neighborhoods. Grant amounts are \$30,000. This is a discretionary award determined by committee.

Eligible improvements could include:

- Public parking lot improvements.

- Streetscape improvements that are part of a larger redevelopment strategy.
- Lighting.
- Gateways/signage.
- Design funds for any of the above improvements.
- Site preparation for commercial development including acquisition and clearance (depending on the source of funding, an identified end user may be required).
- Facade improvements.
- Signage and awnings.
- Site project-specific market studies

## New Markets Tax Credits, Revolving Loan Funds, Opportunity Zones & SBA Financing

The City provides, through city departments and partners, access to New Market Tax Credits, SBA Community Advantage Loans, SBA 504 Loans, and EPA's Revolving Loan Fund.

## Tax Increment Financing (TIFs)

The TIF Program is (1) an economic vehicle used by municipalities to encourage development and/or achieve its economic development or other valid policy goals and (2) a way to capture and monetize the incremental increase in property taxes after development occurs.<sup>73</sup>

The city of Chattanooga took the first step Monday toward using some of the money to be generated from a new automotive paint factory in East Chattanooga to help foster other new development in the area. The Chattanooga Industrial Development Board voted to approve an application for a tax increment district on 20 acres on and near the site of the former Harriett Tubman housing facility to reinvest property taxes from a new \$61 million factory into new retail, housing or commercial development next door. This would be the third TIF in Chattanooga. The other two were a road for Aetna Mountain and MLK Blvd. extension.

## HUD 108 Loan

The U.S. Department of Housing & Urban Development makes funding available to the City of Chattanooga for economic development purposes. The City of Chattanooga uses these funds for loans for small businesses. Small Business Loan Program provides businesses located in designated low-income census tracts or owned by members of a targeted population, which includes low-income persons and eligible minorities, with loans that can be used for most business purposes, including working capital, fixed assets, and others. Typical interest rates between 6%-7%. Maximum amount available is \$225,000.

## City of Chattanooga Neighborhood Reinvestment Fund

\$1 million Neighborhood Reinvestment Fund the city created in the current fiscal year to aid neighborhood projects, small businesses and affordable housing in Chattanooga. Berke created the fund from money being paid back to the city by General Electric after the Alstom factories GE acquired in Chattanooga failed to meet its promised job targets when the plant closed two years ago.

## Opportunity Zones

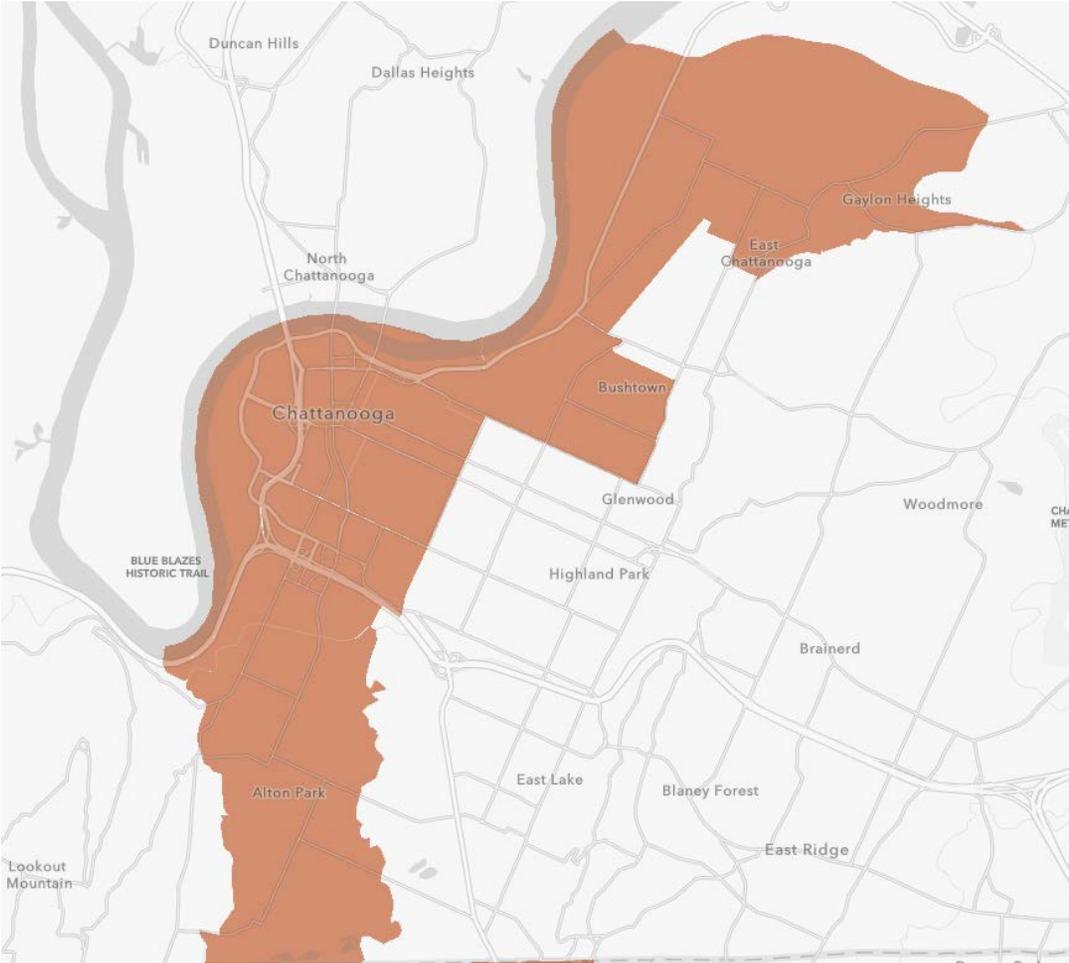
Source: Enterprise Opportunity Zones. <https://www.enterprisecommunity.org/financing-and-development/opportunity-zones-program>.

Opportunity Zones were created from the 2017 Tax Cuts and Jobs Act, and are designed to, “drive long-term capital into low-income communities across the nation, using tax incentives to encourage private investment into designated census tracts through privately- or publicly-managed investment funds.” These zones are nominated by Governors and all were approved in early 2018. The following census tracts are Opportunity Zones: 4, 16, 19, 20, 31, 123, and 124, of which nearly half (16, 19, and 20) are R/ECAP areas. These areas include the central business district and Innovation District.

Opportunity Zones have the benefit of tax incentives for private investors, “taking an equity stake in community development at the nexus of need and opportunity.”

Currently, census tracts 4, 16, 19, 20, 31, 123, and 124 are qualified Opportunity Zones in Tennessee.

Figure...: Qualified Opportunity Zones in Chattanooga



## Prisoner Reentry Programs

### Tennessee Reentry Programs and Assistance

As the current and future influx of ex-offenders increases due to the First Step Act, current disparities in fair housing choice will be exacerbated with the influx of these individuals. More people will be in need of housing and opportunities to become productive citizens again. There are some reentry programs that are set up to assist with transitioning ex-offenders back into society, with the hope that they will not become homeless or re-offend. The following can provide assistance to Hamilton County <sup>77, 78</sup>:

Sources: Exoffenders. "Tennessee Reentry Programs and Assistance." <https://exoffenders.net/reentry-programs-assistance/tennessee/>

Reentry Works. "Reentry Programs by State." <http://www.reentryworks.com/employment/Links.aspx>

CONNECT Ministries – CONNECT is a non-denominational Christian resource center located in Knoxville. They have programs aimed to help ex-offenders reintegrate back into society.

TNDOC – The Tennessee Department of Corrections offers employment assistance on their website.

HUGGS – HUGGS stands for Humility Understanding God Grace Spiritual Strength. They provide help for men and women who were previously incarcerated establish healthy lives back in society.

Project Return – Ex-offenders who have been released from incarceration within the past 12 months are eligible for their services.

Men of Valor – They offer a large amount of aftercare and reentry services. Some of these are job readiness training, relationship training, and basic needs assistance. They are a faith based organization.

Dismas, Inc – Dismas is a nonprofit 501c3. They provide transitional housing for returning citizens.

Chattanooga Endeavors – Chattanooga-based non-profit reentry program that focuses on employment and life skills for ex-offenders.

Transformation Project – Established in Hamilton County in 2002, the Transformation Project is a partnership with the faith community to help with a transitional rehabilitative program for ex-offenders to reduce recidivism rates. The program is available for non-violent substance abuse offenders.

The Next Door – Non-profit Reentry program for women provides services to women who are impacted by addiction, mental illness, trauma and/or incarceration.

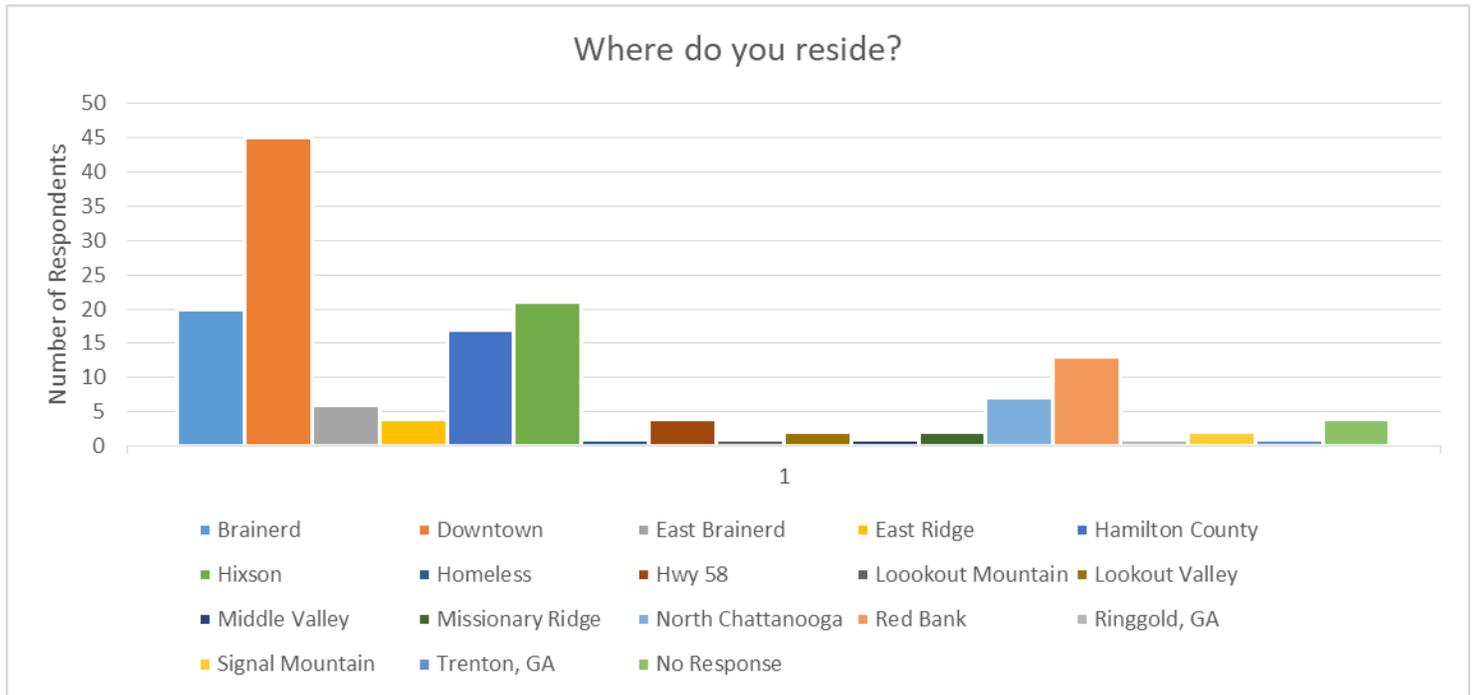
Chattanooga Endeavors – Re-entry program that starts while prisoners are still incarcerated and follows them through gainful employment and or college, while providing training and case management services.

# Appendix E: Survey Results

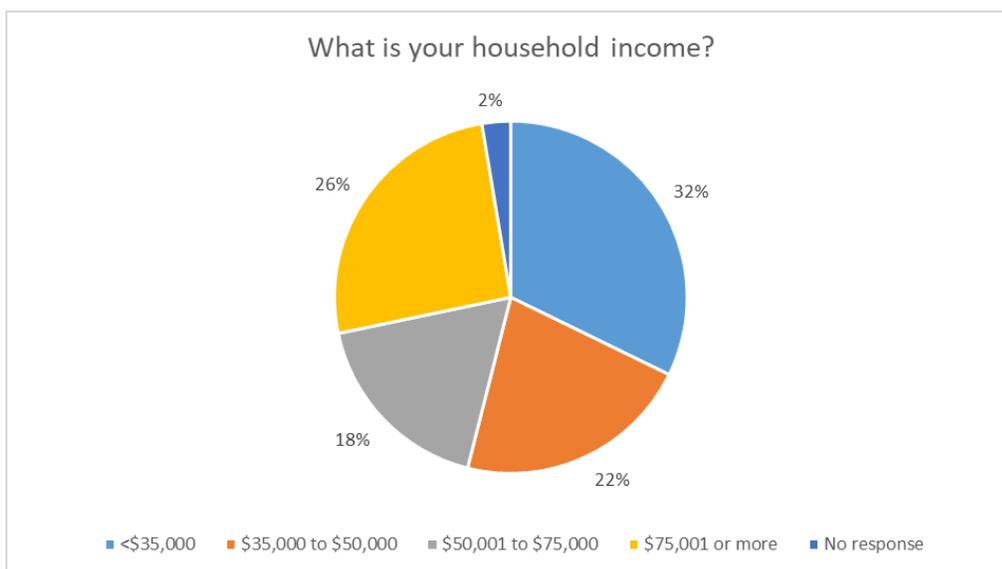
## Housing Survey Results

The Housing Survey was available from July through September and had 121 respondents. There were two surveys issued but only the questions that were in common between the two were analyzed.

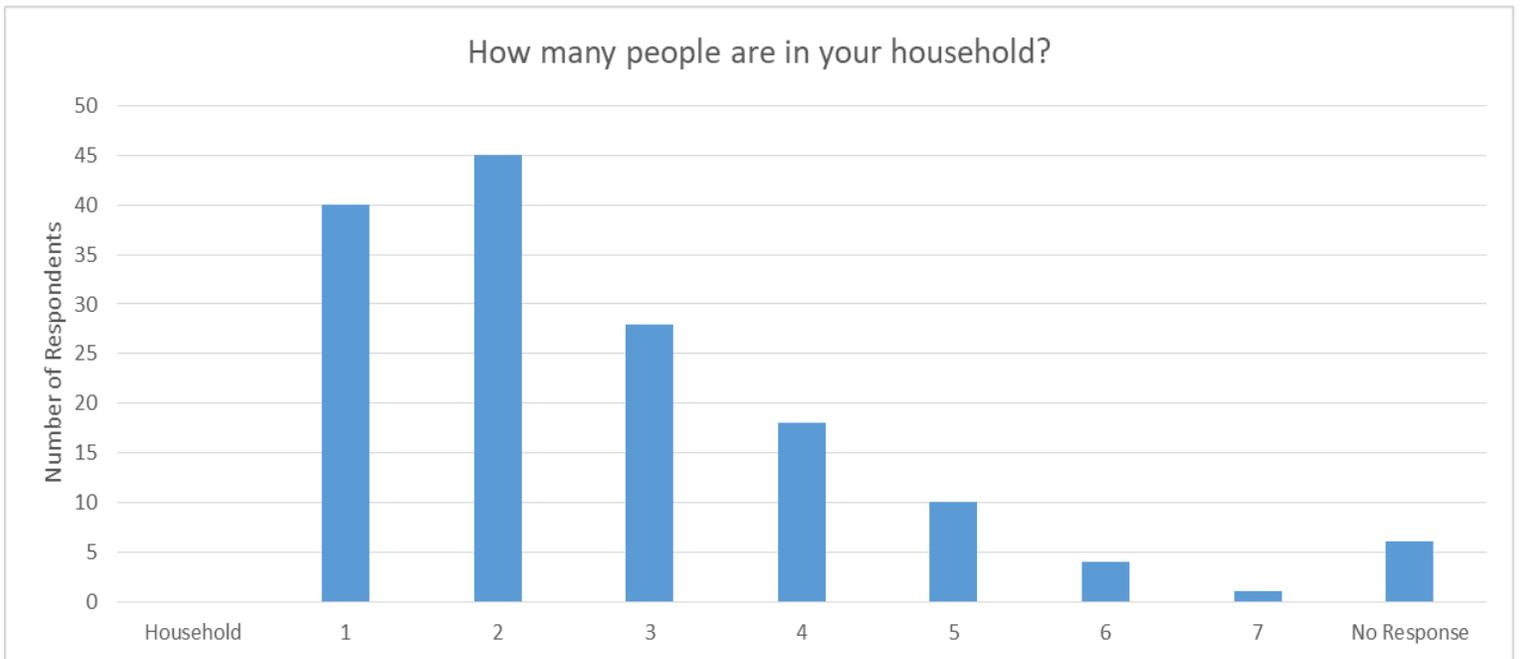
Q. What part of the City/County do you reside in?



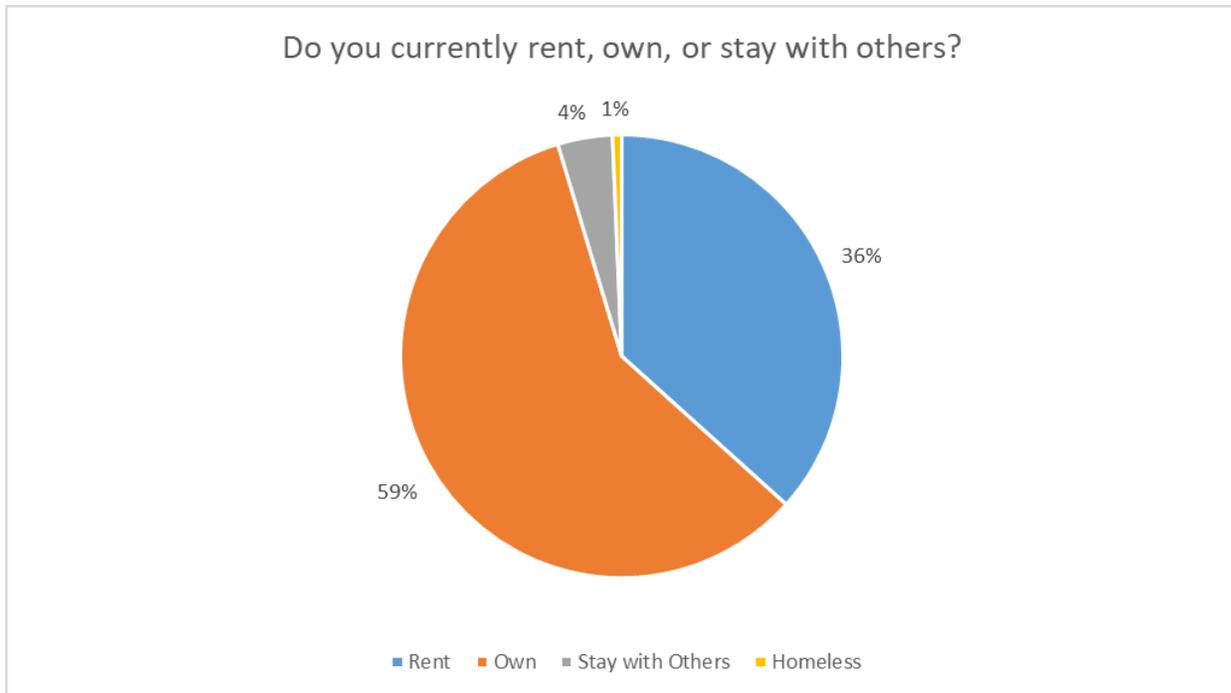
Q. Where does your household income fall?



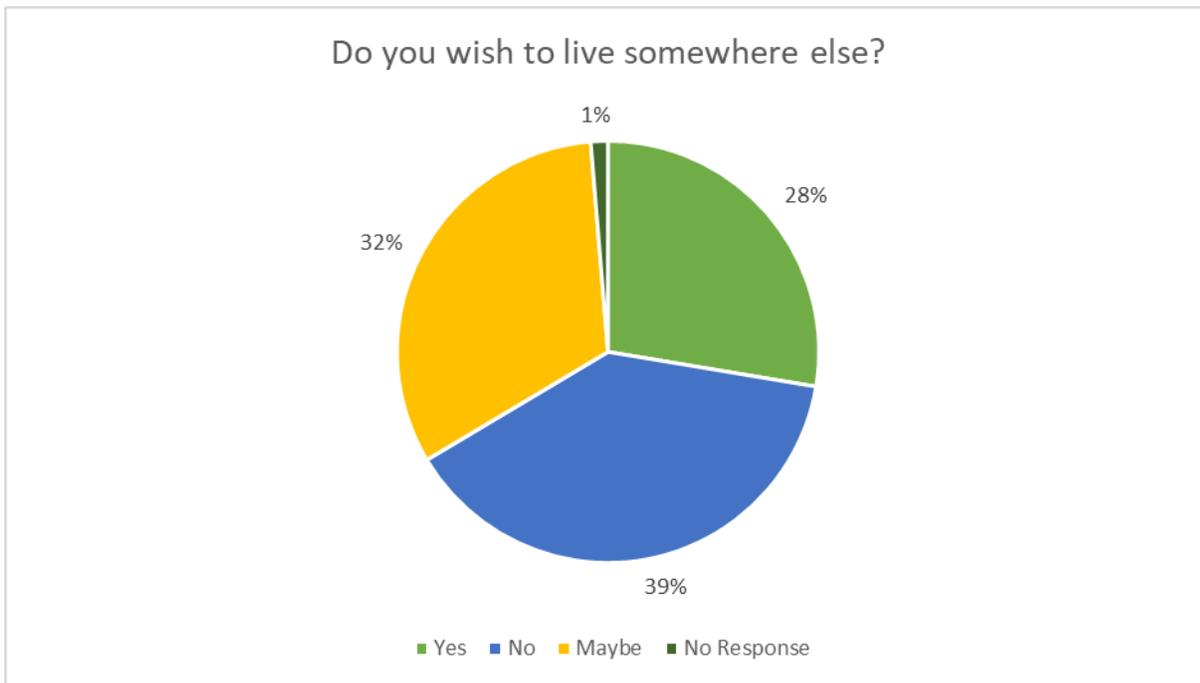
Q. How many people are in your household?



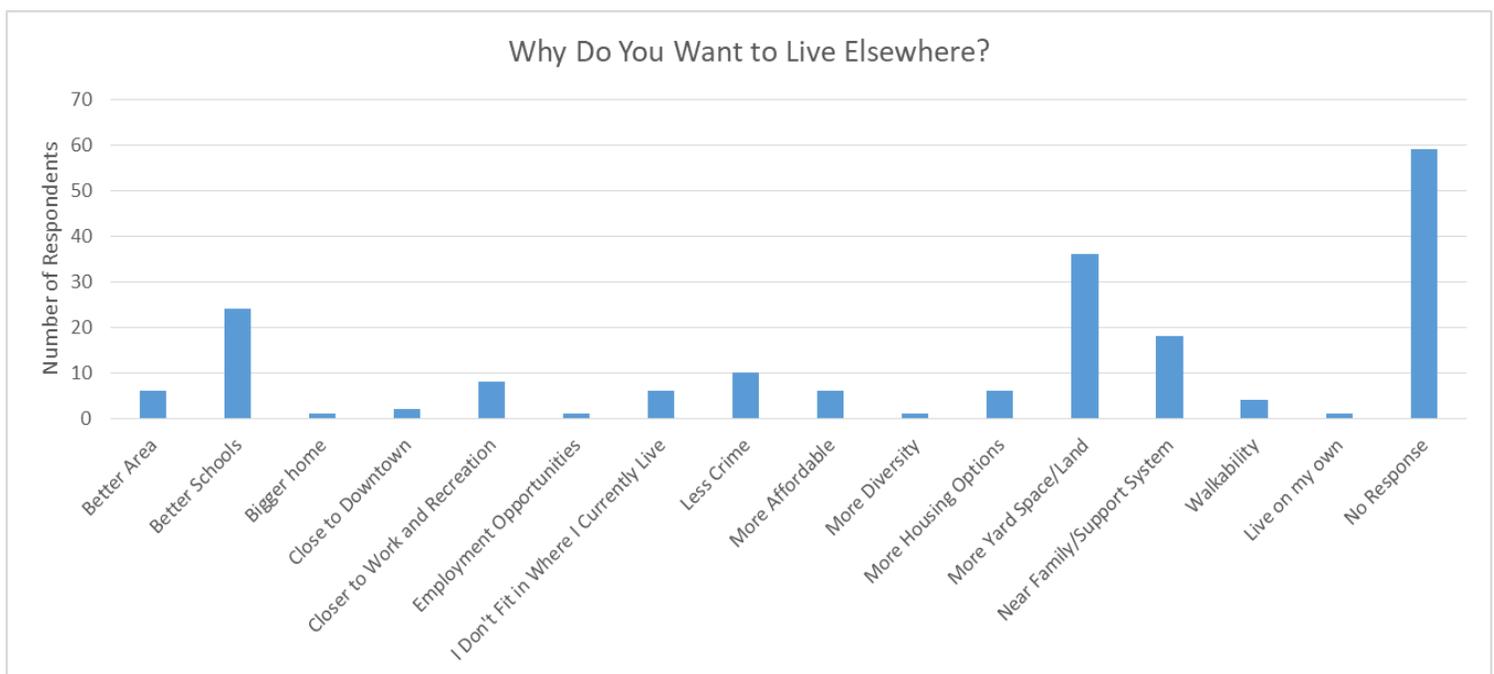
Q. Do you currently rent, own, or stay with others?



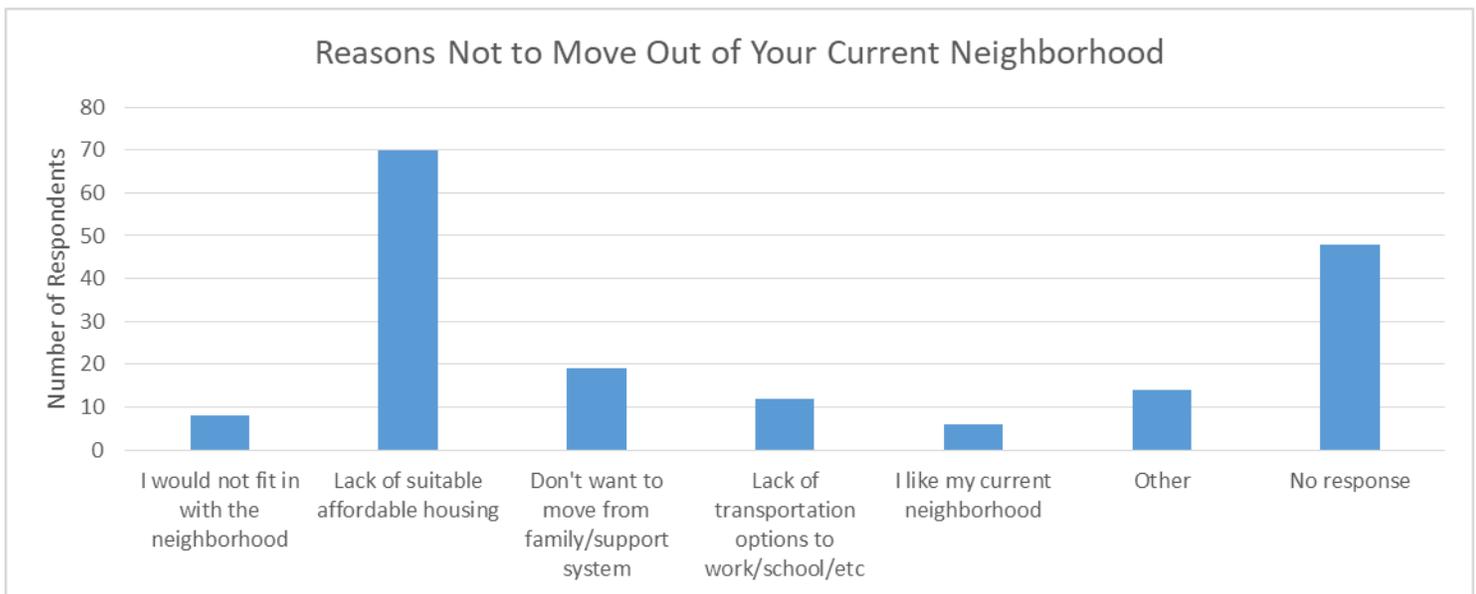
Q. Do you currently desire to live in an area of the city or county that is other than where you currently live?



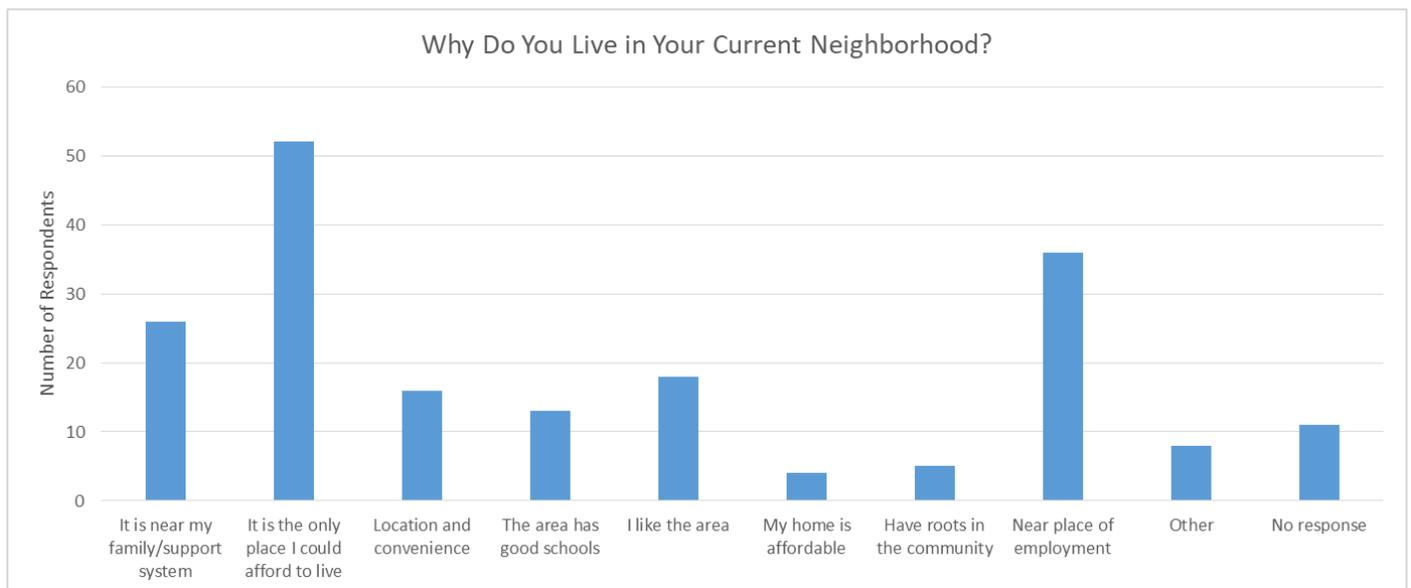
Q. If yes, or maybe, please consider the reasons why you want to live in the desired area and check all that apply?



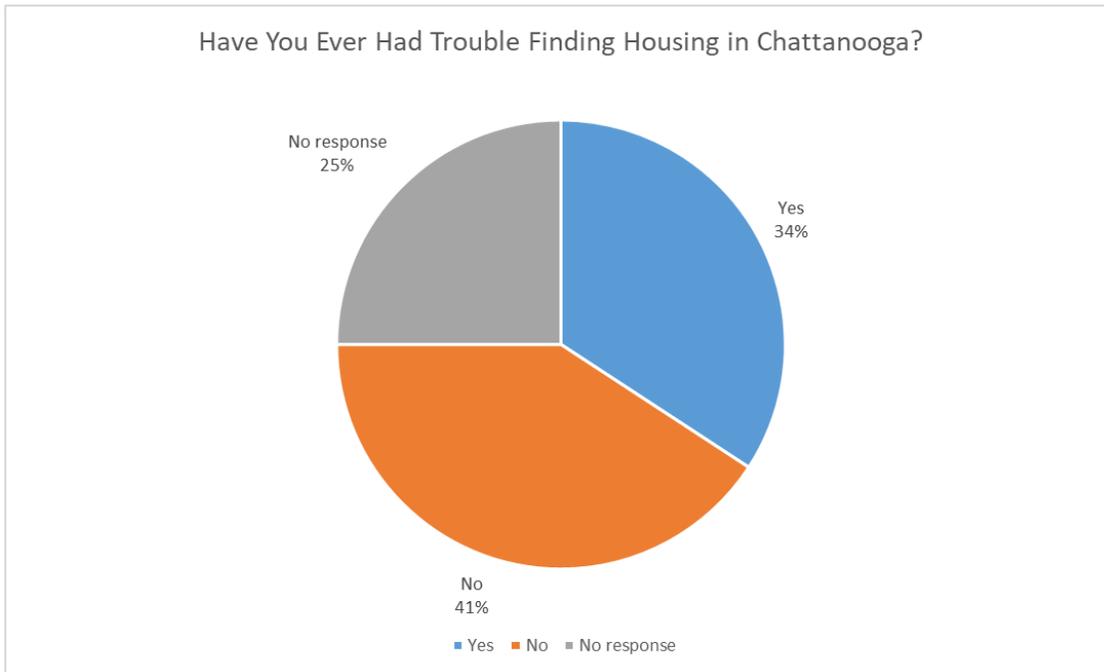
Q. Now please consider why you don't relocate to your desired are and check all that apply?



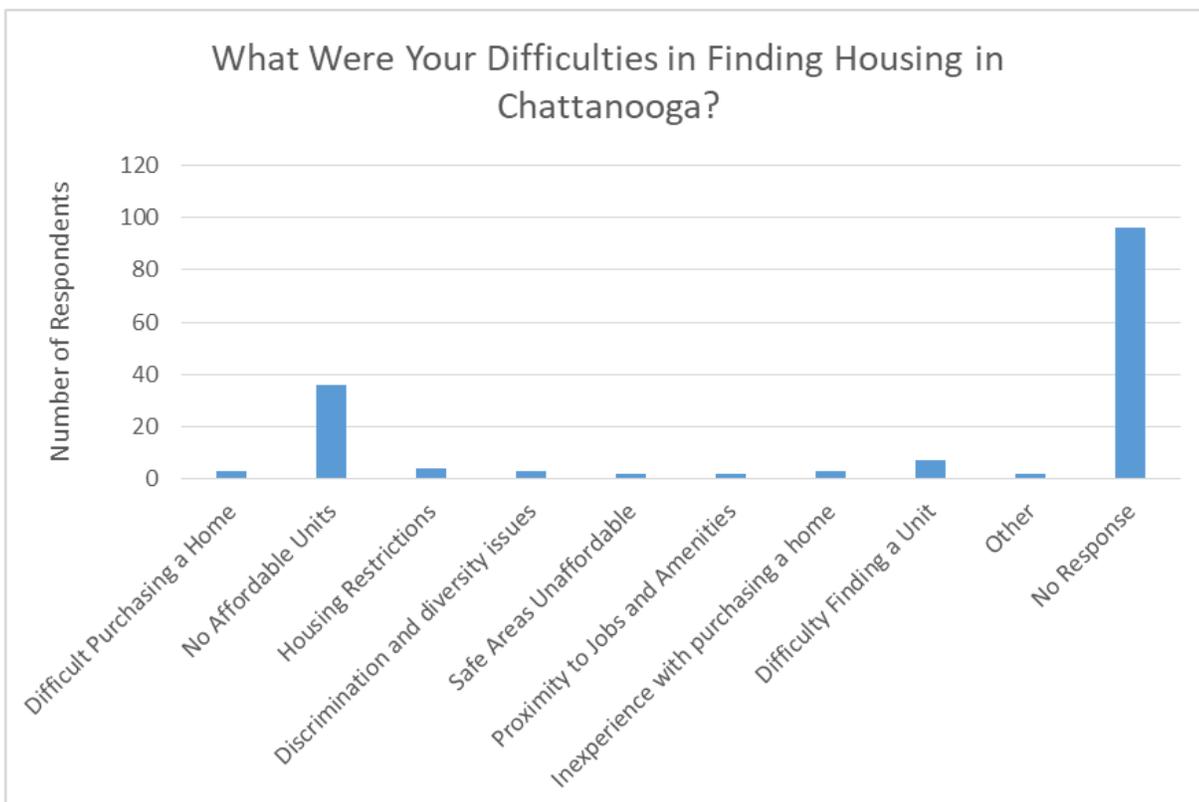
Q. What are your reasons for living in the area in which you currently reside?



Q. Have you ever had difficulty finding housing in Chattanooga?



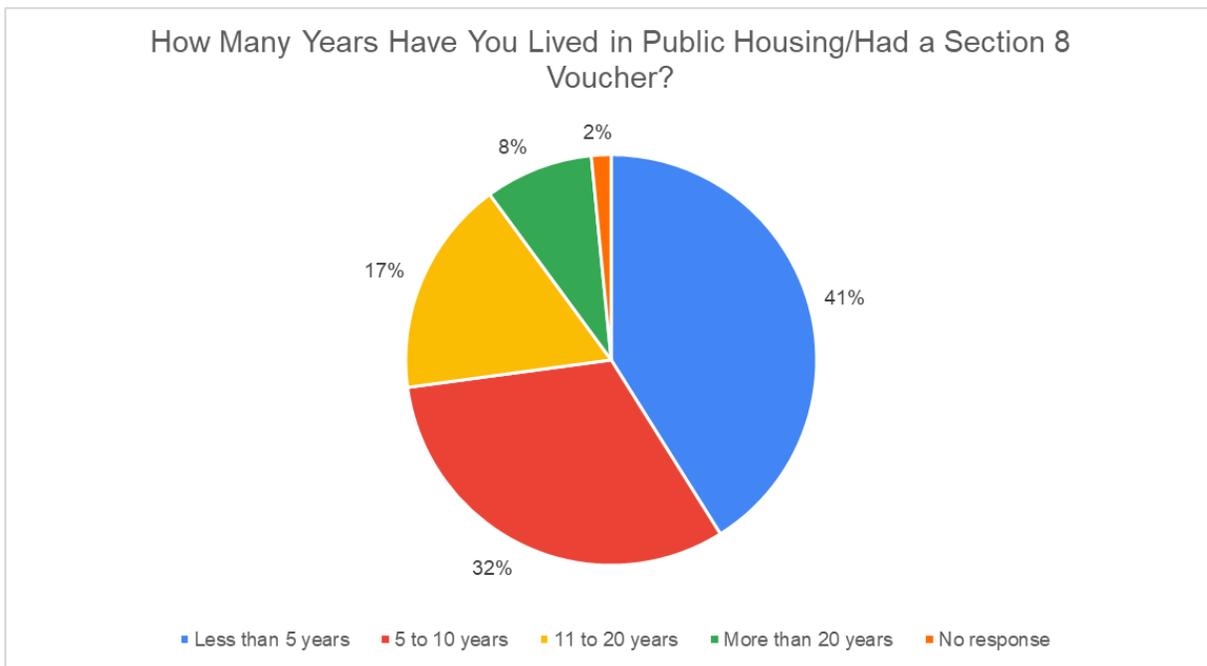
In response to the question, some respondents provided additional information, which is detailed below.



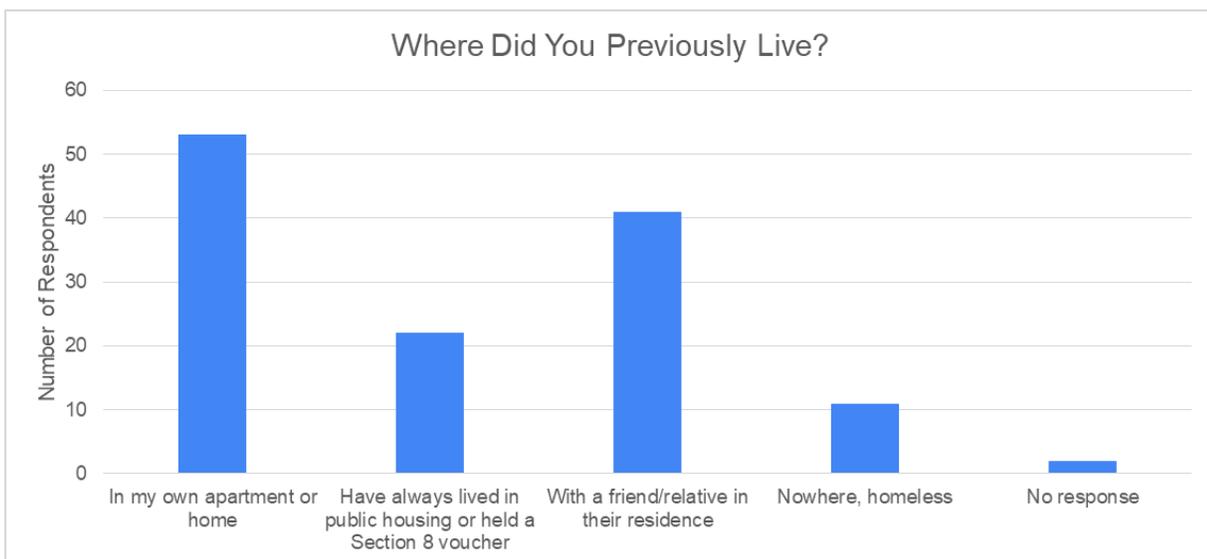
## Public Housing Survey Results

The Public Housing Survey was available in September and had 132 respondents.

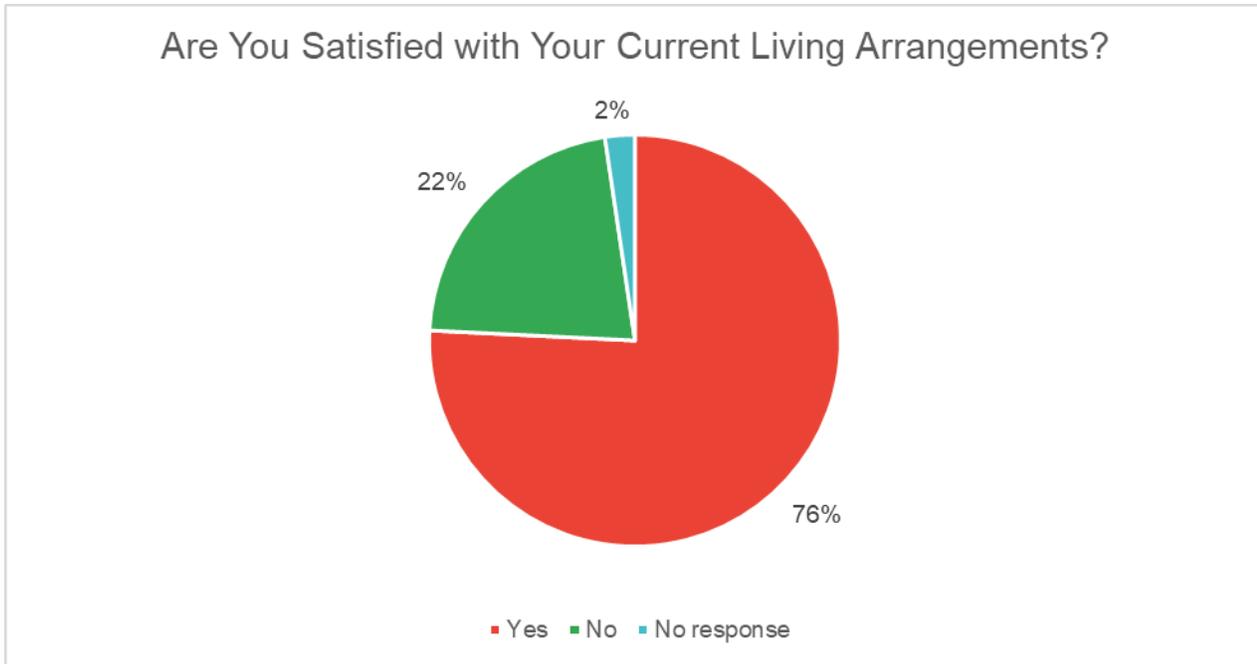
Q. How many years have you lived in public housing or had a Section 8 voucher?



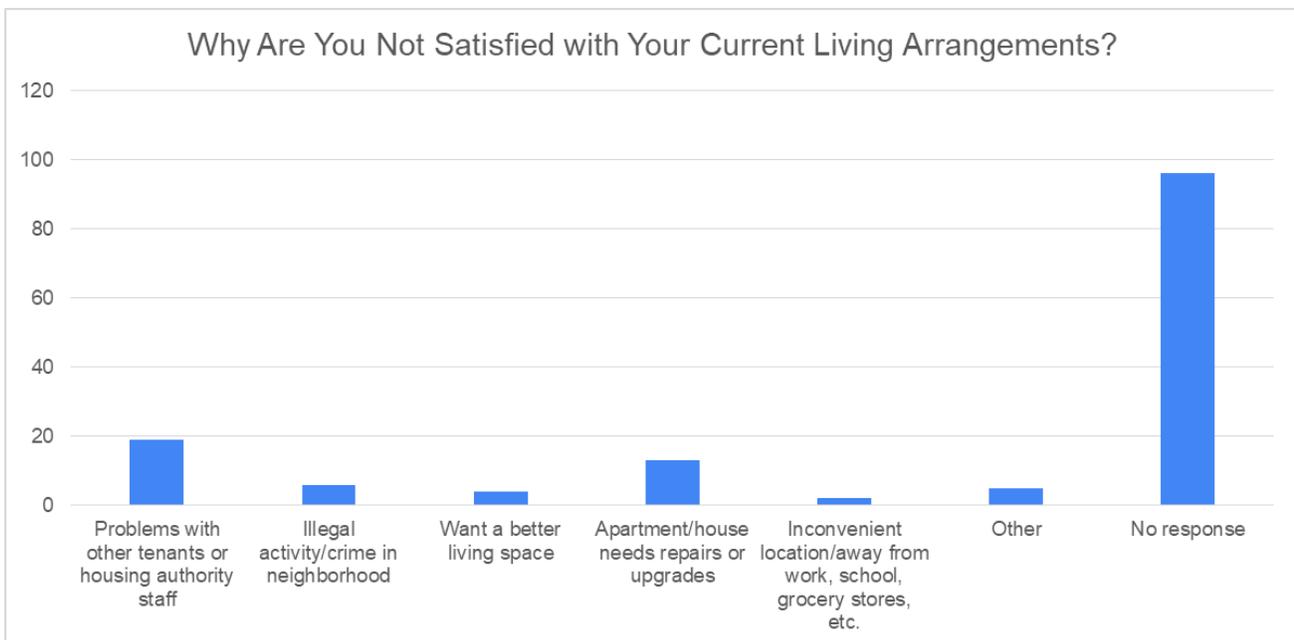
Q. Where did you previously live?



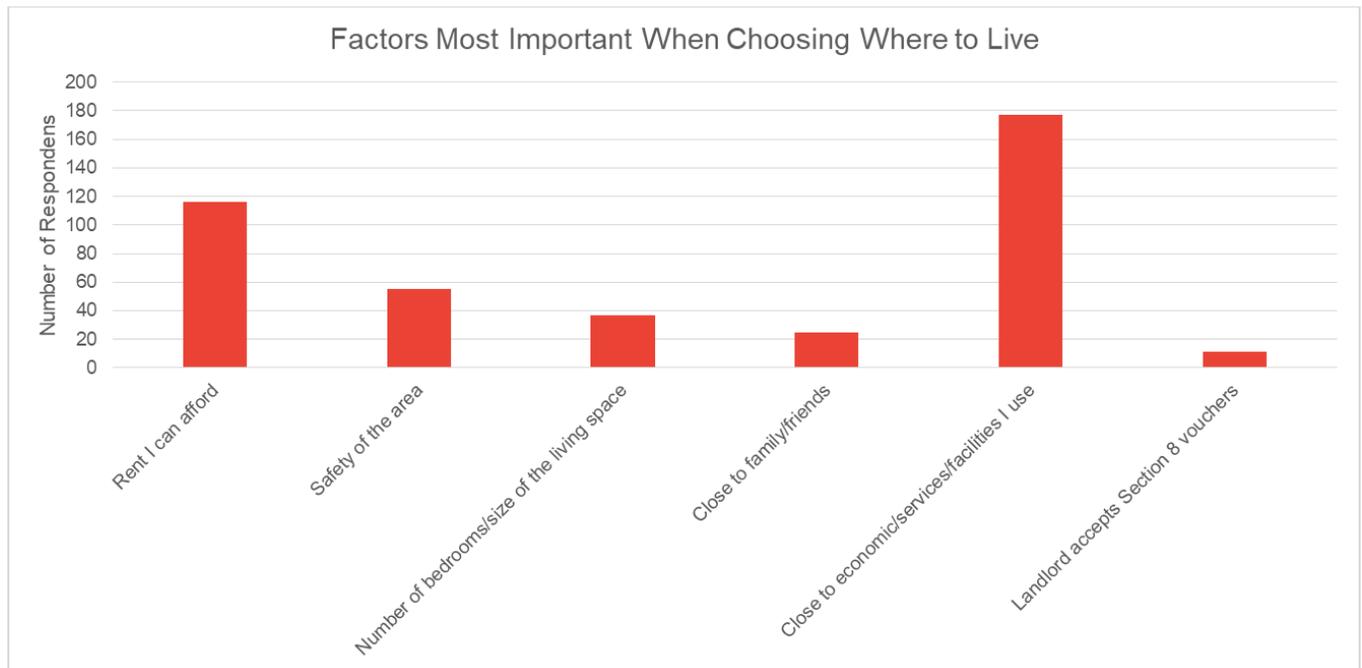
Q. Are you satisfied with your current living arrangements?



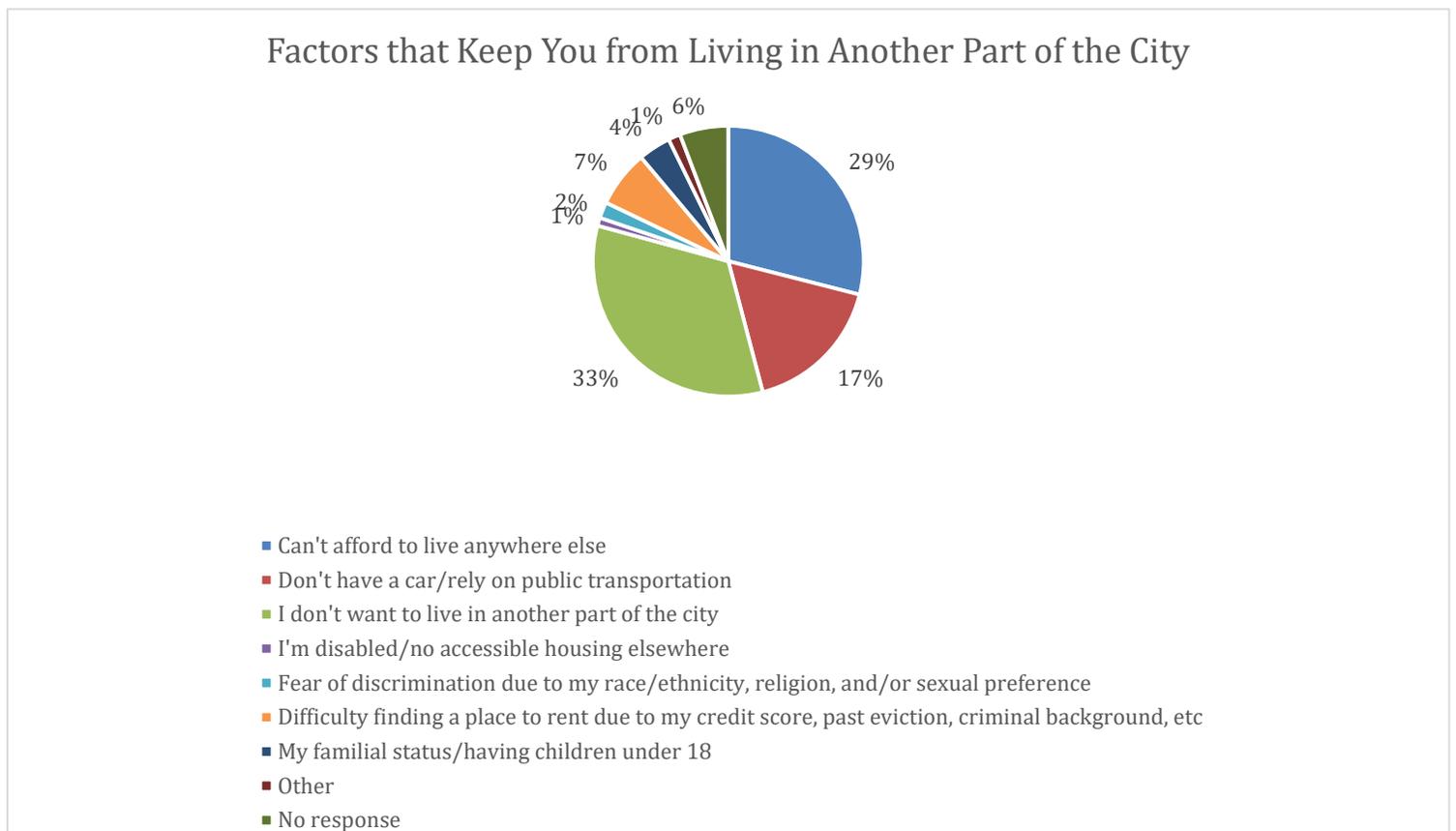
Q. If you are not satisfied, why?



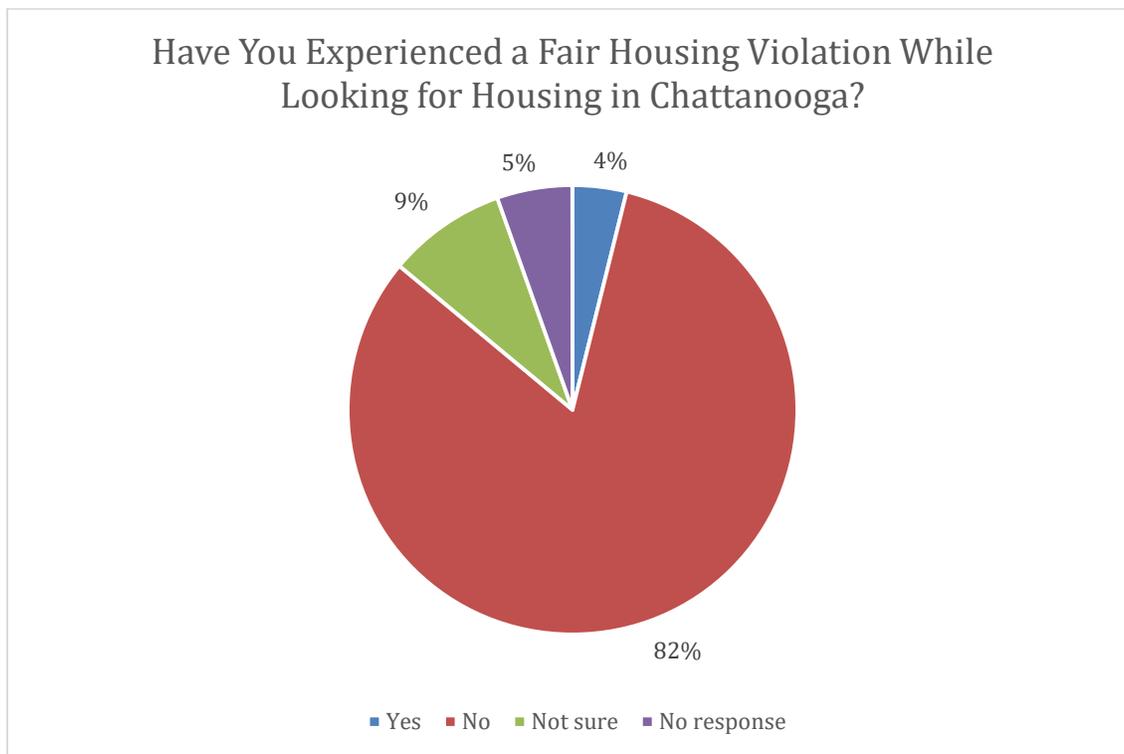
Q. What factors are most important to you when choosing where to live?



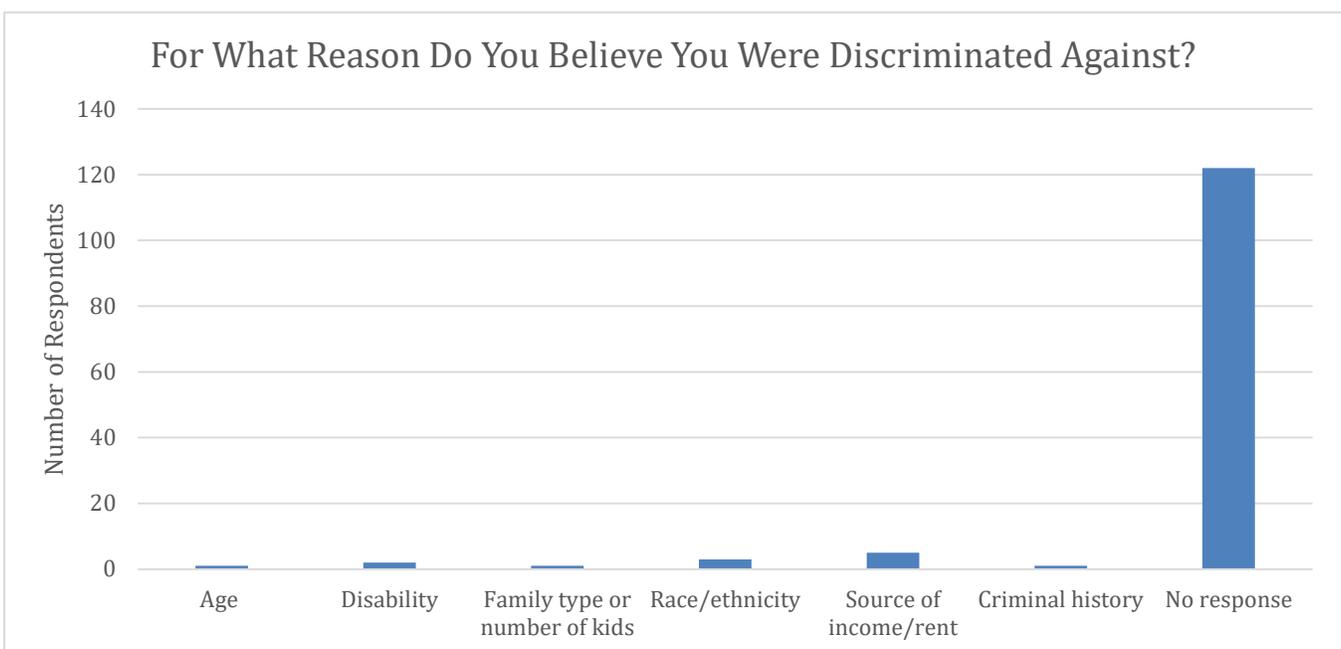
Q. What barriers, if any, keep you from living in another part of the city?

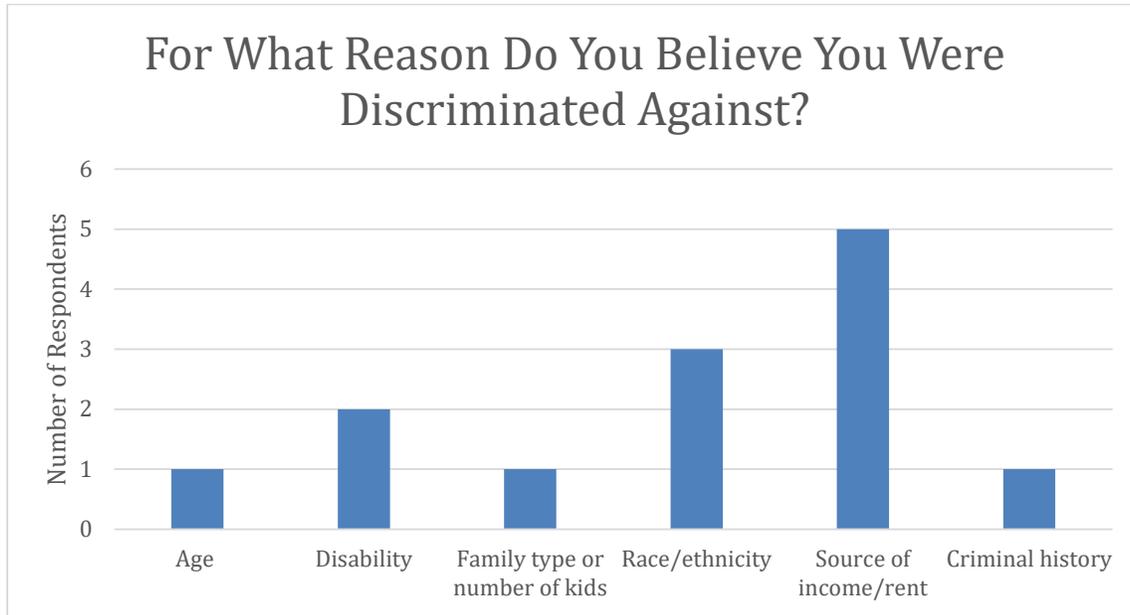


Q. Have you ever experienced fair housing violations when looking for housing in Chattanooga?



Q. If you said “Yes” to question 7, for what reason(s) do you believe you were discriminated against?

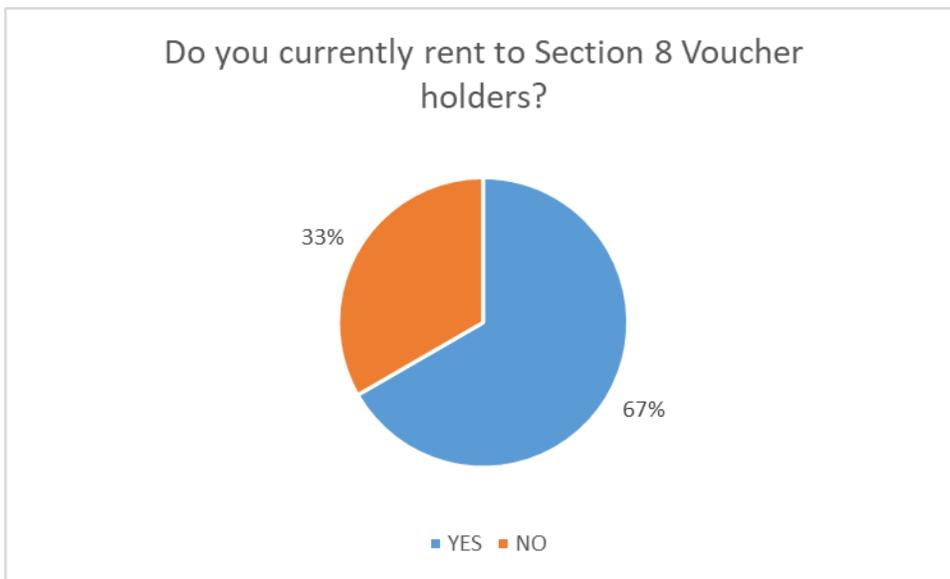




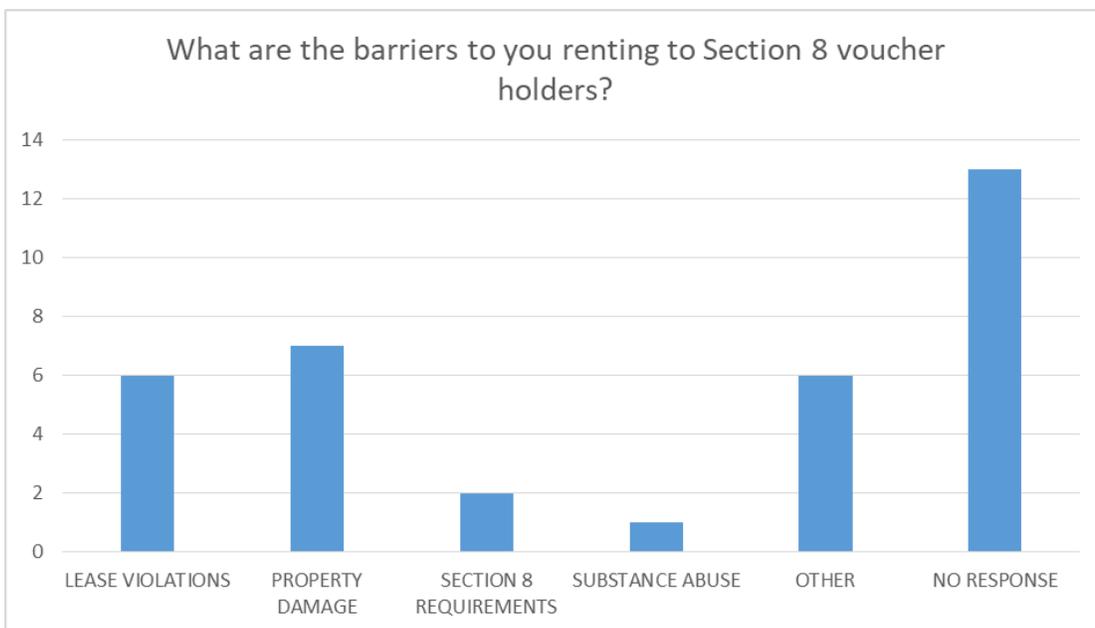
## Landlord Survey Results

The Housing Survey was available from July through September and had 25 respondents.

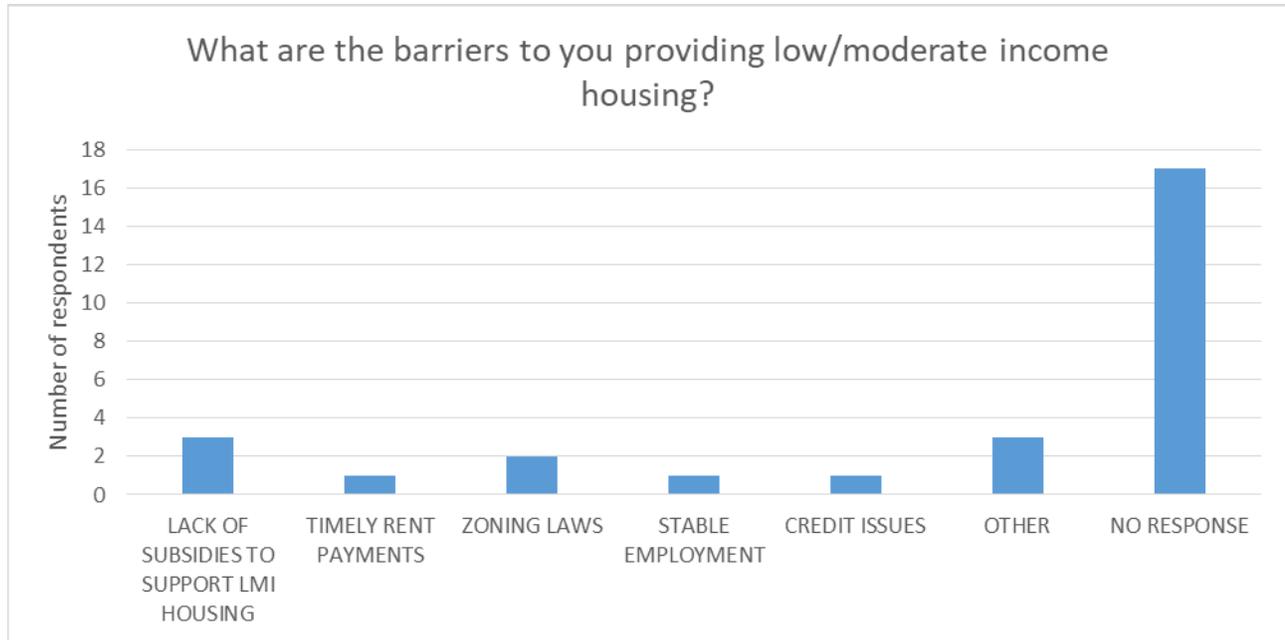
Q. Do you currently rent to Section 8 voucher holders?



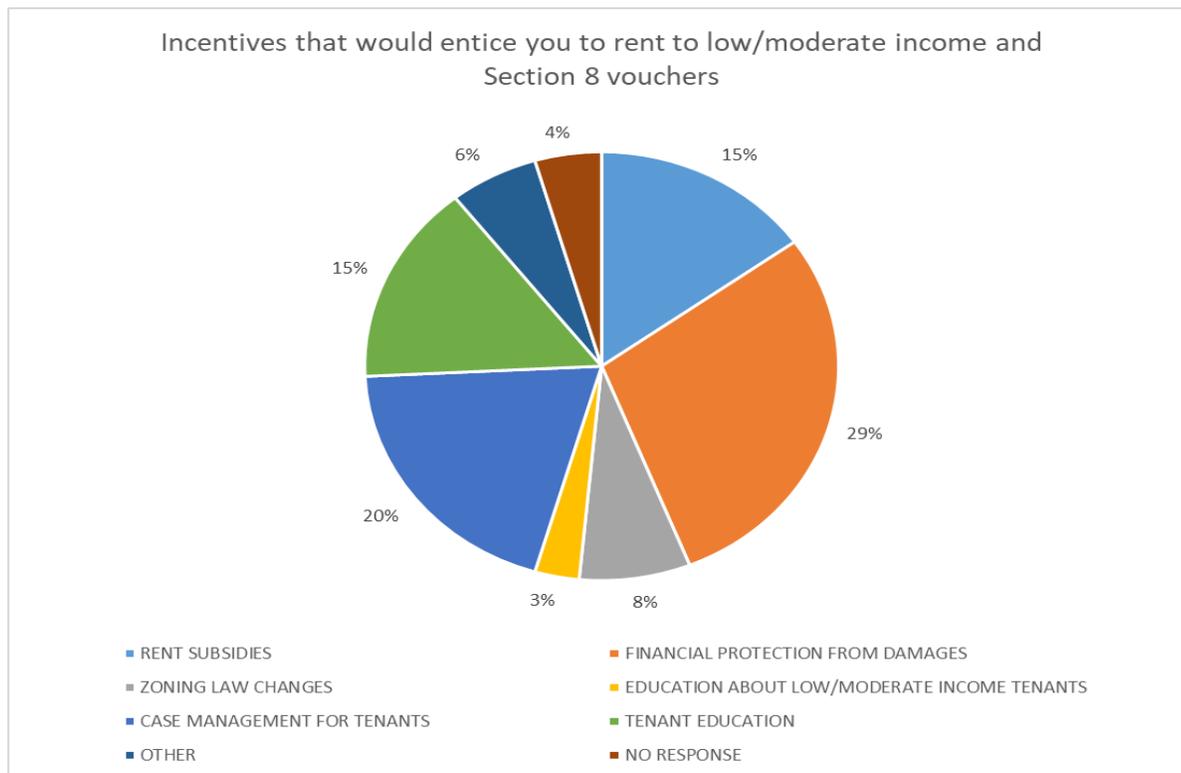
Q. If not, what are the barriers to you renting to Section 8 voucher holders?



Q. If you're not renting to low/moderate income tenants, what are the barriers to you providing low/moderate income rental housing?



Q. What incentives would entice you to rent to low/moderate tenants and Section 8 voucher holders?



## City of Chattanooga 2018 Community Satisfaction Survey

The Office of Internal Audit conducted a survey of Chattanooga residents to determine how residents viewed city services. There were approximately 2000 respondents to the survey, which was a response rate of about 20%. Responses had increased in Districts 1, 4, and 5, and decreased for Districts 6, 7, 8, and 9. This generally translates to an increase in participation from more affluent areas and a decline in participation from the Districts that contain LMI and R/ECAP census tracts.

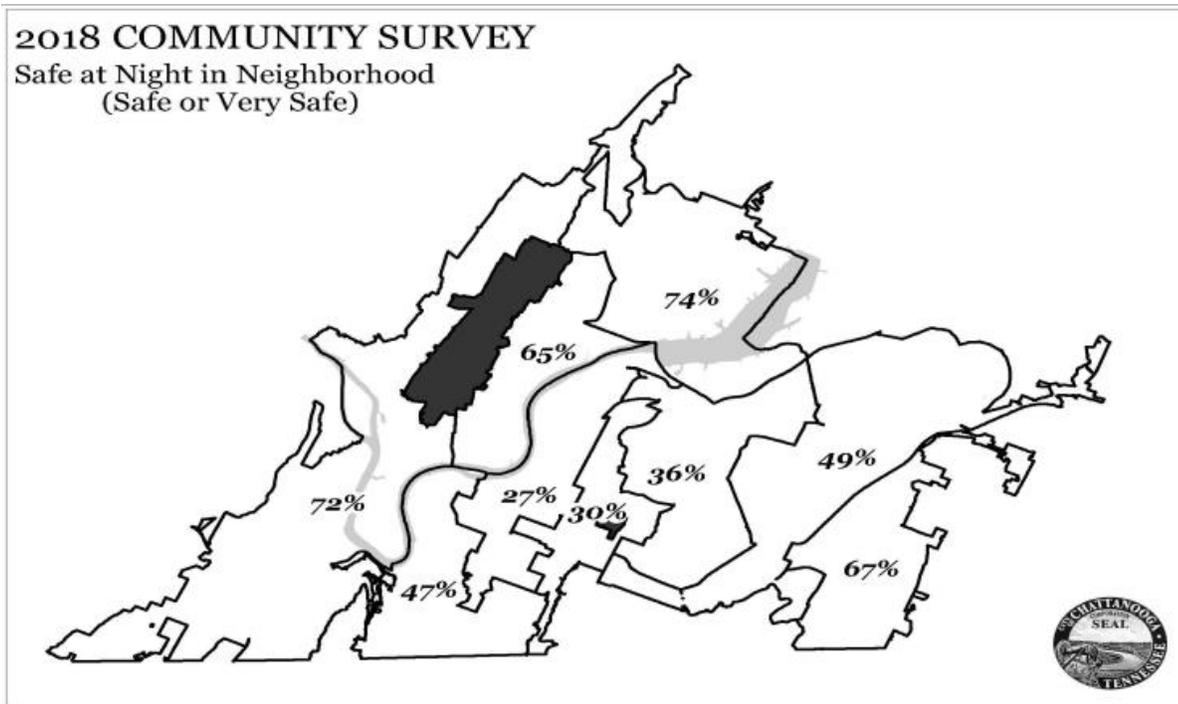
Source: City of Chattanooga Office of Internal Audit. "2018 Community Survey Results." October 2018. [http://www.chattanooga.gov/internal-audit-files/2018\\_Community\\_Survey\\_Report.pdf](http://www.chattanooga.gov/internal-audit-files/2018_Community_Survey_Report.pdf)

Based on survey responses, residents have a high opinion of the City overall, while their views of specific city services are mixed. The survey resulted in the following notable points (page 1-2) that are relevant to the Analysis of Impediments:

1. Residents were asked how safe they felt in their neighborhoods, parks and downtown. Feelings of safety increased from past years, with the exception of safety downtown, which decreased slightly.
2. Satisfaction with 911 call takers increased in 2018 after being in steady decline the previous five years.
3. The percentage of people who rated speeding vehicles as "bad" or "very bad" is at an all-time high.

**Public Safety:** 66% of residents who rated good or very good for police services, 92% rated good or very good for fire and EMA, and 89% rated good or very good for 911 Services. Neighborhoods, Parks, and Downtown are viewed as safer in the day than at night. Residents feel most unsafe Downtown at night. Council District 3 has the highest perceived nighttime safety (74%), while District 8 has the lowest rate of safety at 27 percent.

Figure 1: Percentage that rated downtown safety as "good" or "very good"



**Public Works/Transportation:** Street lighting satisfaction has been on the decline for the last five years, and may be one factor leading to a downturn in nighttime safety.

**Parks and Recreation:** Council District 2 had the highest rate of regular park visitors (28%), while District 6 had the lowest at 9 percent.

**Economic and Community Development:** Respondents overwhelmingly (91%) chose good or very good when asked about Chattanooga as a place to live. When asked about their neighborhood as a place to live, 85% responded good or very good. Seventy-four (74) percent responded good or very good when asked about the city as a place to retire, and 69% responded good or very good when asked about the city as a place to raise children.<sup>79</sup>

Figure 2: Neighborhood livability factors 2018

(Percent very good or good)

Council District	Close to parks	Close to transit	Access to shopping	Sidewalk availability	On-street parking
1	64%	13%	74%	37%	26%
2	74%	43%	89%	30%	43%
3	75%	18%	88%	23%	30%
4	76%	19%	94%	36%	30%
5	53%	46%	64%	11%	27%

6	54%	45%	87%	27%	36%
7	74%	73%	63%	63%	45%
8	57%	61%	36%	60%	38%
9	41%	52%	43%	25%	32%

As it pertains to housing affordability, 64% rated housing affordability in their neighborhood as good or very good. District 4 had the highest rating for affordability (78%). The lowest rating (39%) was in District 8. When asked about the physical condition of housing in their neighborhoods, 65% of respondents responded favorably, Again with District 4 and District 8 having the highest and lowest ratings, respectively. District 8 residents are more likely to have an individual pre-tax income less than \$35,000 than other districts.

Figure 3: Percentage of people who rated housing affordability as “good” or “very good”

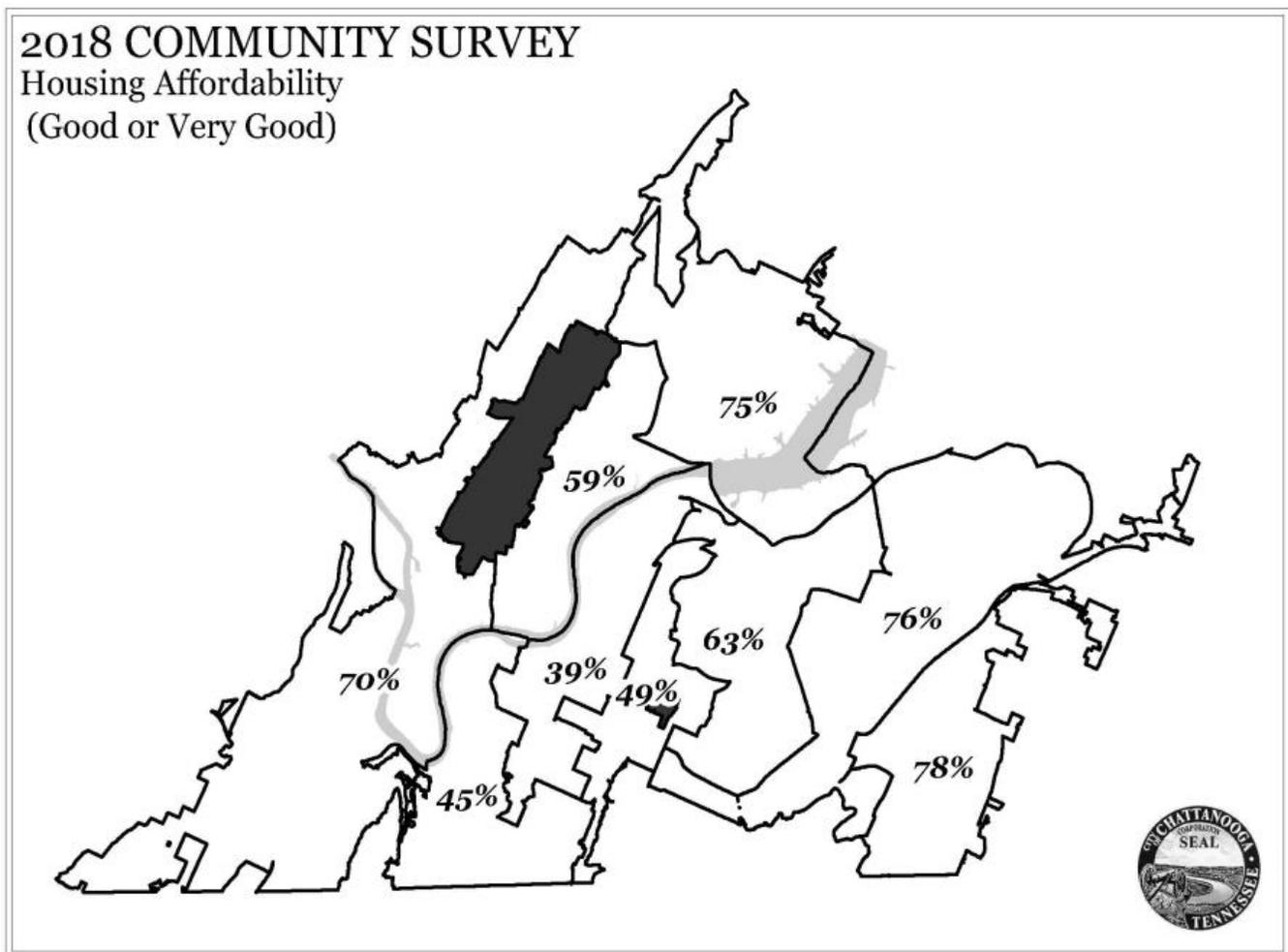
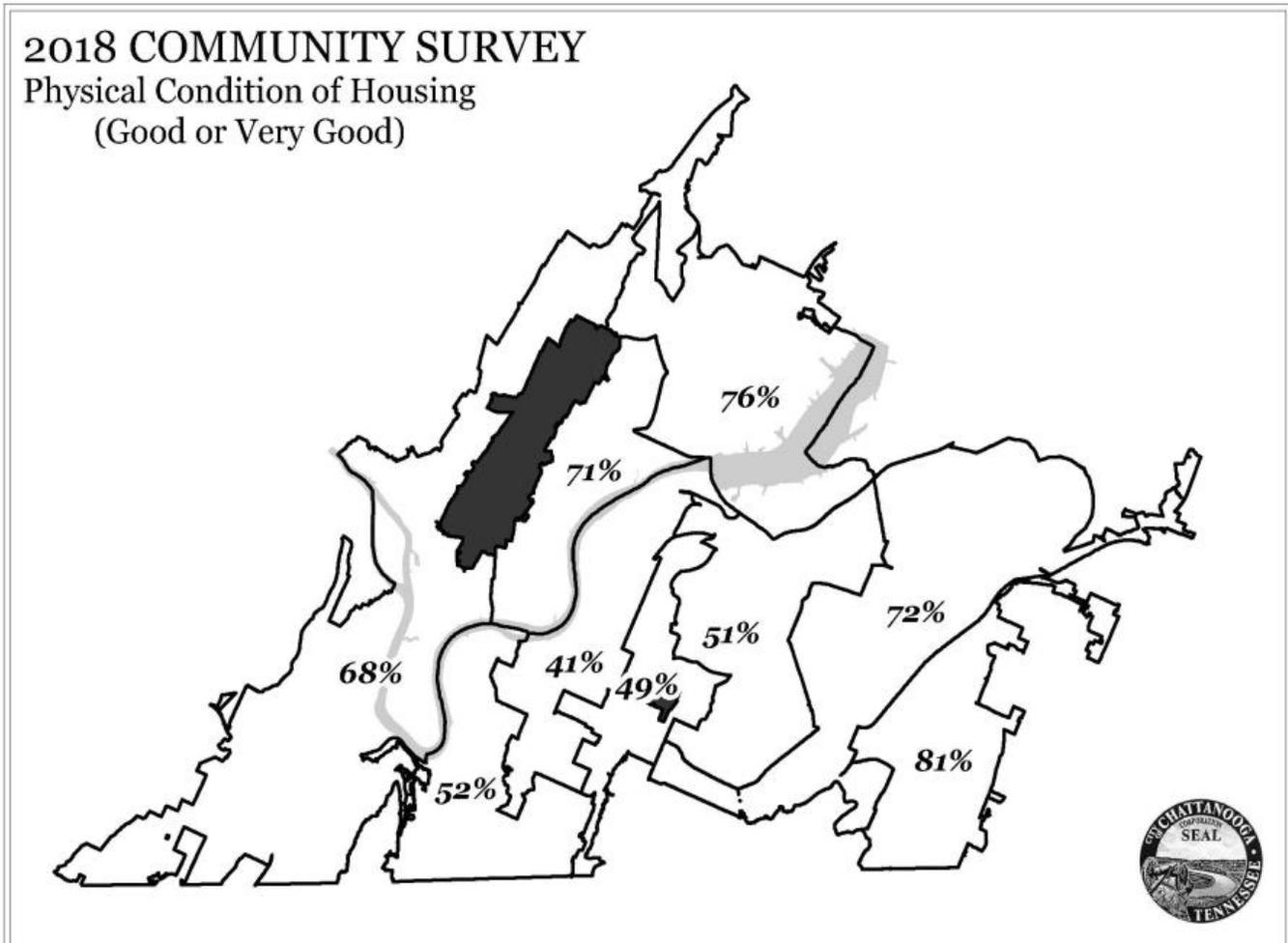


Figure 4: Percentage of people who rated the physical condition of housing as “good” or “very good”



The overall sentiment for development is that while development is increasing, both commercial and residential, favorable opinions about development are declining.

Utilization of CARTA services has been consistent over the last five years, fluctuating from 79 to 83 percent of residents reporting that they have never utilized a CARTA bus. (pg. 11).

# APPENDIX F: Economic Data

Source: U.S. Bureau of Labor Statistics. "Chattanooga, TN-GA, Area Economic Summary. Updated August 28, 2019. September 24, 2019.

[https://www.bls.gov/regions/southeast/summary/blssummary\\_chattanooga.pdf](https://www.bls.gov/regions/southeast/summary/blssummary_chattanooga.pdf)

Figure 1: Unemployment rates for Chattanooga, Hamilton County

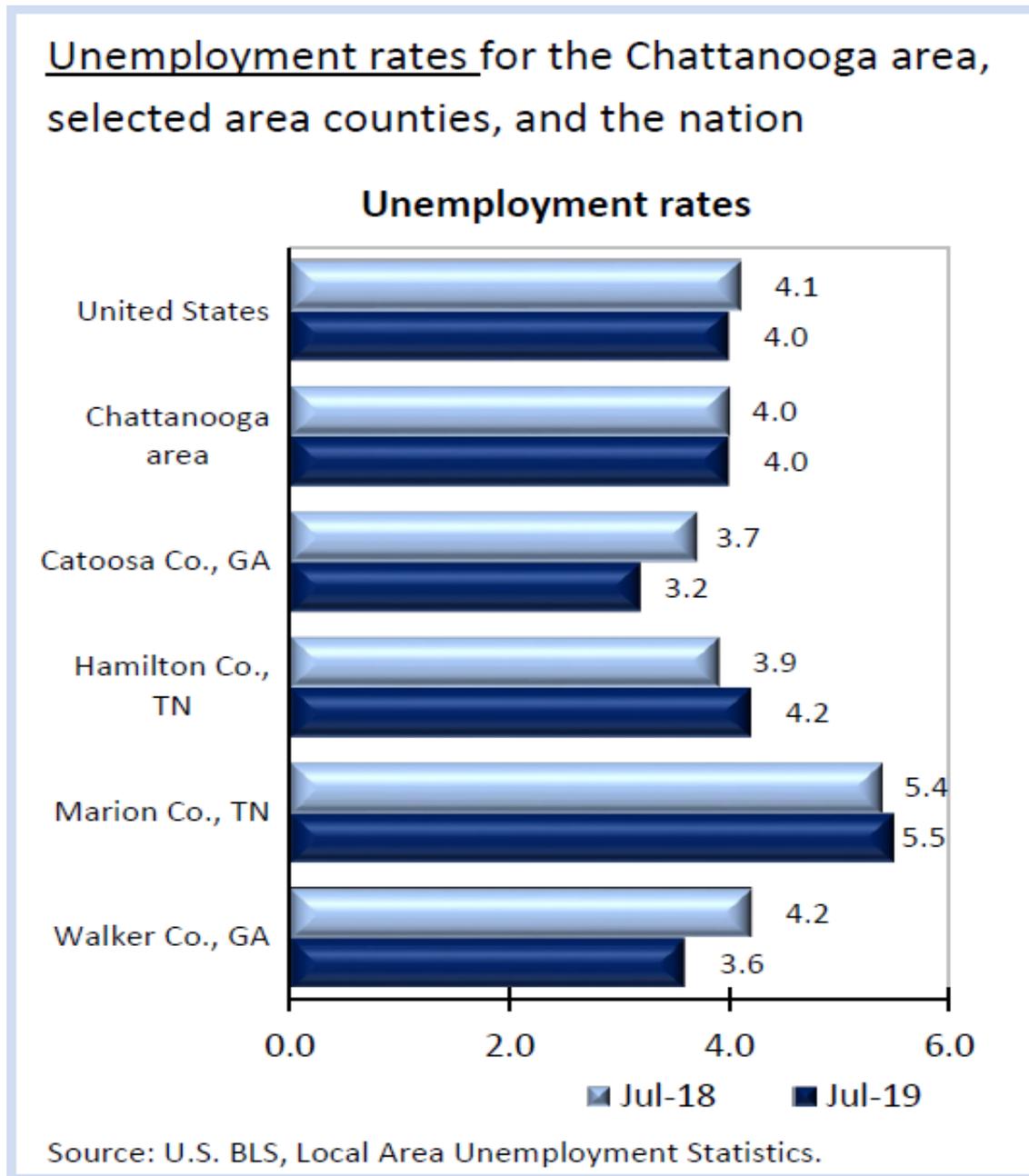


Figure 2: Changes in employment by industry

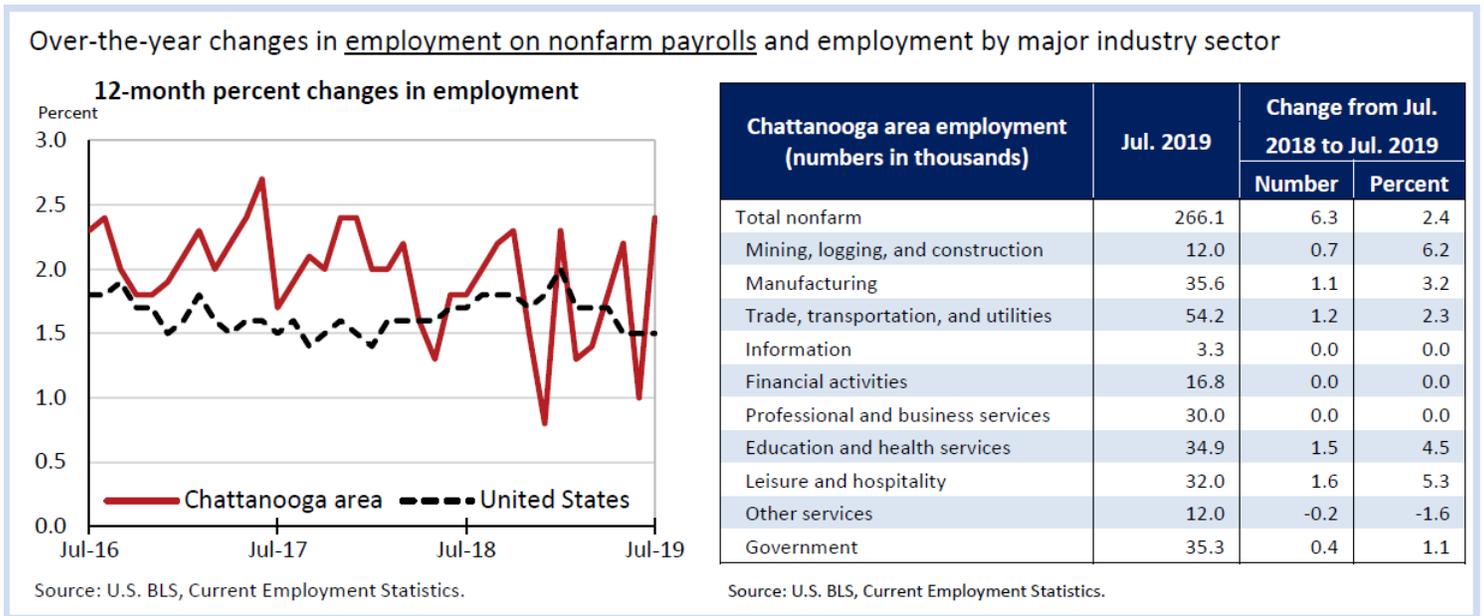


Figure 3: Average weekly wages by industry and county

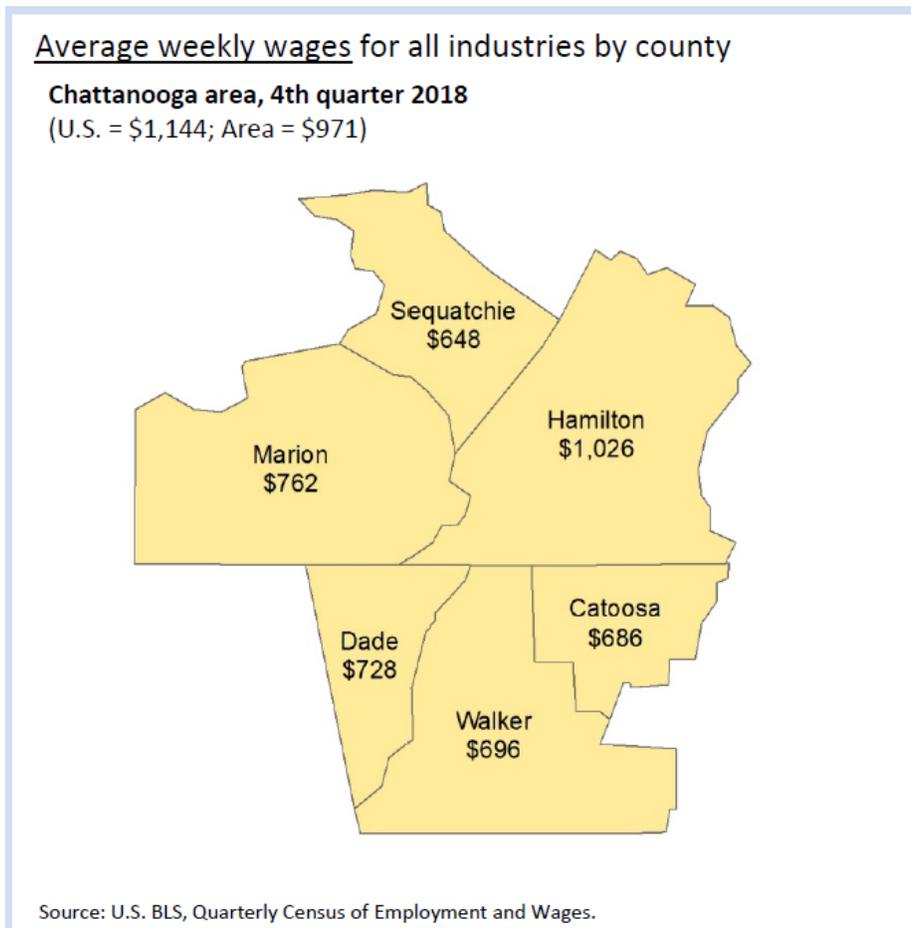


Figure 4: Average hourly wages for selected occupations

**Average hourly wages for selected occupations**

<b>Occupation</b>	<b>Chattanooga area</b>	<b>United States</b>
Total, all occupations	\$21.10	\$24.98
General and operations managers	54.65	59.56
Accountants and auditors	30.70	37.89
Registered nurses	28.03	36.30
Heavy and tractor-trailer truck drivers	18.89	21.91
Customer service representatives	17.09	17.53
Construction laborers	15.82	19.40
Retail salespersons	14.39	13.61
Receptionists and information clerks	13.84	14.59
Stock clerks and order fillers	13.29	13.71
Cooks, fast food	10.37	10.89
Waiters and waitresses	9.53	12.42

Source: U.S. BLS, Occupational Employment Statistics, May 2018.

Table 1: Earnings by common industries in Chattanooga/Hamilton County <sup>36</sup>

Source: Bureau of Labor Statistics. "May 2018 Metropolitan and Nonmetropolitan Occupational Employment and Wage Estimates – Chattanooga, TN-GA – All Occupations." March 29, 2019. Pulled July 17, 2019. [https://www.bls.gov/oes/current/oes\\_16860.htm](https://www.bls.gov/oes/current/oes_16860.htm)

<b>Occupation</b>	<b>Location Quotient</b>	<b>Median Hourly Wage</b>	<b>Mean Hourly Wage</b>	<b>Annual Mean Salary</b>
<b>Human Resource Specialists</b>	1.10	\$22.72	\$24.93	\$51,850
<b>Accountants and Auditors</b>	0.51	\$27.65	\$30.70	\$63,850
<b>Appraisers and Assessors of Real Estate</b>	0.71	\$22.55	\$23.85	\$49,600
<b>Loan Officers</b>	0.78	\$27.46	\$31.34	\$65,180
<b>Tax Preparers</b>	1.14	\$21.38	\$21.04	\$43,760
<b>Computer Programmers</b>	0.88	\$37.98	\$39.54	\$82,240
<b>Software Developers, Systems</b>	0.44	\$44.75	\$45.21	\$94,030
<b>Database Administrators</b>	0.91	\$37.66	\$35.14	\$73,100
<b>Computer User Support Specialists</b>	0.74	\$26.90	\$30.18	\$62,770
<b>Surveyors</b>	0.79	\$23.28	\$25.44	\$52,910
<b>Civil Engineers</b>	0.41	\$43.81	\$45.52	\$94,670
<b>Mechanical Engineers</b>	0.58	\$41.64	\$42.11	\$87,590
<b>Architectural and Civil Drafters</b>	0.46	\$26.79	\$26.75	\$55,650
<b>Civil Engineering Technicians</b>	1.10	\$18.75	\$21.57	\$44,860
<b>Substance Abuse, Behavioral Disorder, and Mental Health Counselors</b>	0.60	\$18.79	\$20.58	\$42,810
<b>Social Workers, all other</b>	0.99	\$24.33	\$25.14	\$52,290
<b>Community Health Workers</b>	1.08	\$15.83	\$17.08	\$35,530
<b>Paralegals and Legal Assistants</b>	0.91	\$21.80	\$23.96	\$49,840
<b>Preschool Teachers except special education</b>	0.48	\$12.91	\$14.12	\$29,360
<b>Elementary School Teachers except special education</b>	1.13	Not Calculated	Not Calculated	\$61,000

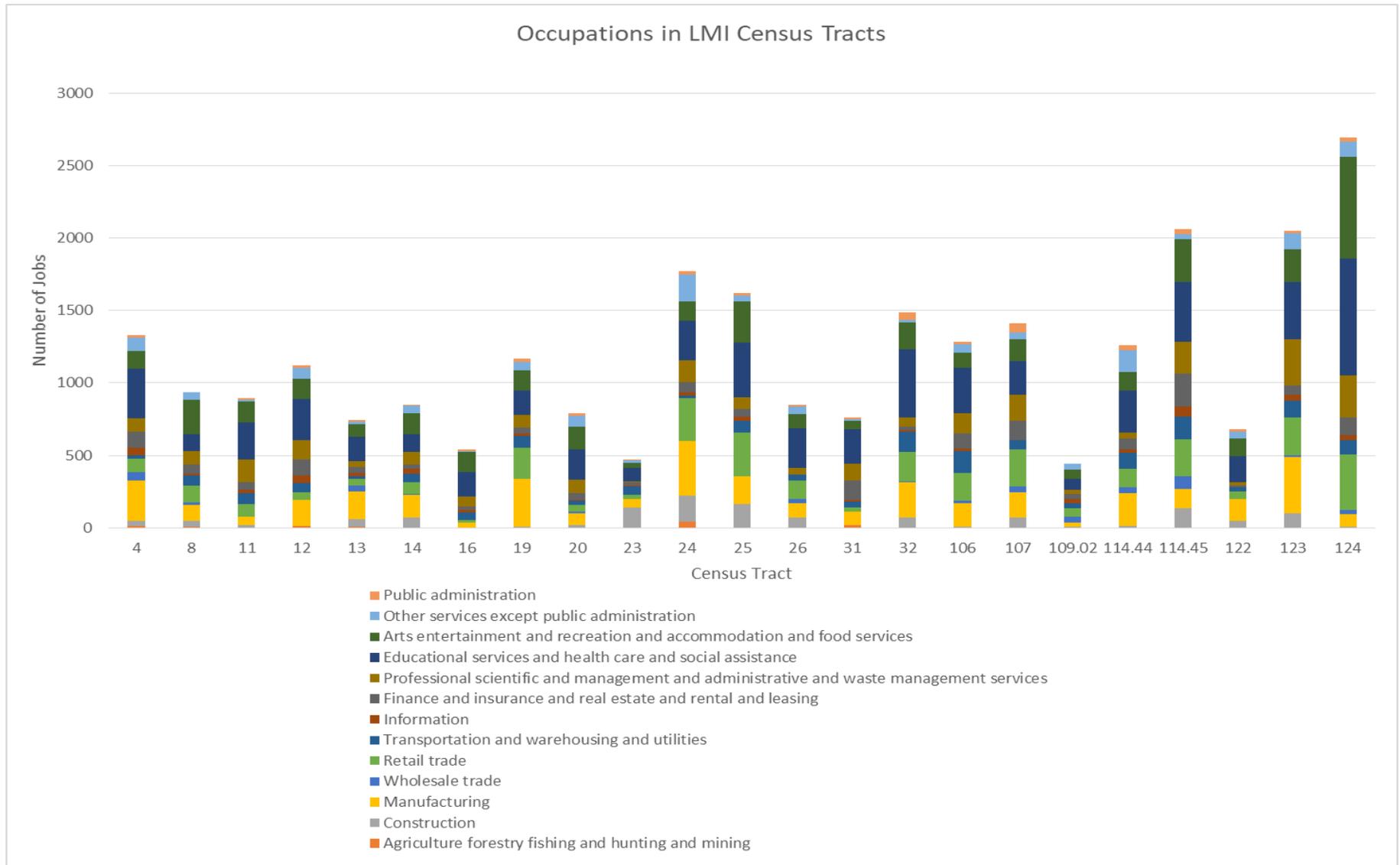
<b>Middle School Teachers except special education</b>	1.15	Not Calculated	Not Calculated	\$58,870
<b>Secondary School Teachers except special education</b>	1.13	Not Calculated	Not Calculated	\$63,730
<b>Librarians</b>	0.92	\$29.79	\$28.82	\$59,940
<b>Teacher Assistants</b>	0.66	Not Calculated	Not Calculated	\$20,930
<b>Graphic Designers</b>	0.85	\$20.38	\$21.44	\$44,590
<b>Dentists, general</b>	0.66	\$59.98	\$71.68	\$149,100
<b>Pharmacists</b>	1.05	\$60.74	\$59.72	\$124,220
<b>Family and General Practitioners</b>		>=\$100.00	\$130.39	\$271,210
<b>Pediatrician, general</b>		\$93.74	\$100.72	\$209,500
<b>Physician Assistants</b>	1.00	\$50.15	\$50.63	\$105,300
<b>Nurse Practitioners</b>	2.43	\$50.97	\$50.50	\$105,030
<b>Dental Hygienists</b>	0.93	\$27.00	\$26.36	\$54,820
<b>Radiologic Technicians</b>	1.34	\$23.82	\$24.87	\$51,730
<b>Pharmacy Technicians</b>	1.11	\$14.93	\$15.51	\$32,260
<b>Licensed Practical and Licensed Vocational Nurses</b>	1.57	\$18.69	\$19.02	\$39,560
<b>Dental Assistants</b>	0.86	\$16.76	\$16.32	\$33,760
<b>Phlebotomists</b>	0.99	\$14.34	\$14.35	\$29,850
<b>First Line Supervisors for Police and Detectives</b>	1.42	\$28.59	\$30.72	\$63,890
<b>Firefighters</b>	0.85	\$14.39	\$15.83	\$32,930
<b>Police and Sheriff's Patrol Officers</b>	0.90	\$19.73	\$19.84	\$41,270
<b>Chefs and Head Cooks</b>	0.21	\$24.57	\$24.84	\$51,680
<b>Fast Food Cooks</b>	1.0	\$9.87	\$10.37	\$21,570
<b>Short Order Cooks</b>	3.69	\$11.25	\$11.35	\$23,610
<b>Food Preparation Workers</b>	1.33	\$9.14	\$9.74	\$20,260
<b>Waiter and Waitress</b>	0.94	\$8.80	\$9.53	\$19,820
<b>Host and Hostess, Restaurant, Lounge, Coffee Shop</b>	1.27	\$8.96	\$9.21	\$19,150
<b>Janitors and Cleaners</b>	1.22	\$9.52	\$10.82	\$22,510

<b>Pest Control Workers</b>	2.12	\$14.62	\$16.55	\$34,430
<b>Grounds Maintenance Workers</b>	7.17	\$12.34	\$14.86	\$30,900
<b>Hairdressers, Hairstylists, and Cosmetologists</b>	0.60	\$11.28	\$13.68	\$28,460
<b>Childcare Workers</b>	0.97	\$9.88	\$10.22	\$21,260
<b>Cashiers</b>	1.26	\$9.69	\$10.03	\$20,870
<b>Retail Salesperson</b>	0.97	\$11.58	\$14.39	\$29,930
<b>Insurance Sales Agents</b>	0.96	\$21.48	\$27.57	\$57,350
<b>Payroll and Timekeeping Clerks</b>	0.85	\$18.49	\$19.44	\$40,430
<b>Tellers</b>	0.98	\$13.33	\$13.72	\$28,530
<b>Customer Service Reps</b>	1.15	\$16.04	\$17.09	\$35,550
<b>Hotel, Motel and Resort Desk Clerks</b>	1.30	\$9.90	\$10.36	\$21,560
<b>Meter Readers, Utilities</b>	0.82	\$16.50	\$19.43	\$40,410
<b>Postal Service Clerks</b>	0.93	\$28.89	\$25.45	\$52,930
<b>Postal Service Mail Carriers</b>	0.92	\$24.58	\$24.41	\$50,780
<b>Office Clerks</b>	1.04	\$13.71	\$15.06	\$31,320
<b>Carpenters</b>	0.30	\$19.57	\$18.73	\$38,950
<b>Construction Laborers</b>	0.66	\$14.37	\$15.82	\$32,900
<b>Electricians</b>	1.37	\$25.11	\$25.76	\$53,580
<b>Plumbers</b>	0.82	\$21.38	\$22.40	\$46,590
<b>Highway Maintenance Workers</b>	0.80	\$14.69	\$15.06	\$31,320
<b>Telecommunication Line Installers and Repairers</b>	0.52	\$18.51	\$19.04	\$39,590
<b>Food Processing Workers</b>	5.19	\$11.39	\$11.72	\$24,380
<b>Bus Drivers, Transit and Inner City</b>	0.13	\$17.05	\$16.67	\$34,680
<b>School Bus Drivers</b>	0.41	\$13.49	\$13.44	\$27,950
<b>Heavy and Tractor Trailer Drivers</b>	2.82	\$18.36	\$18.89	\$39,300
<b>Refuse and Recycling Collectors</b>	0.56	\$13.20	\$14.75	\$30,670

Table 2: Jobs by Industry for the Next Five Years in Hamilton County

Description	2018	2019	2020	2021	2022	2023
	Jobs	Jobs	Jobs	Jobs	Jobs	Jobs
Agriculture, Forestry, Fishing and Hunting	37	42	45	48	51	53
Mining, Quarrying, and Oil and Gas Extraction	97	106	113	119	124	126
Utilities	272	300	323	341	357	364
Construction	7,524	7,734	7,905	8,050	8,175	8,248
Manufacturing	18,844	19,063	19,199	19,278	19,314	19,238
Wholesale Trade	5,515	5,529	5,534	5,532	5,524	5,502
Retail Trade	15,220	15,363	15,479	15,577	15,661	15,710
Transportation and Warehousing	12,416	12,426	12,417	12,393	12,358	12,297
Information	2,692	2,734	2,769	2,797	2,821	2,833
Finance and Insurance	9,091	9,058	9,035	9,021	9,011	9,017
Real Estate and Rental and Leasing	2,304	2,349	2,383	2,410	2,432	2,438
Professional, Scientific, and Technical Services	6,166	6,260	6,335	6,397	6,450	6,476
Management of Companies and Enterprises	1,220	1,250	1,273	1,291	1,305	1,310
Administrative and Support and Waste Management and Remediation Services	13,368	13,649	13,874	14,060	14,216	14,295
Educational Services	2,808	2,864	2,907	2,943	2,972	2,984
Health Care and Social Assistance	20,778	21,438	21,996	22,484	22,920	23,217
Arts, Entertainment, and Recreation	2,124	2,191	2,244	2,287	2,323	2,340
Accommodation and Food Services	16,365	16,808	17,161	17,452	17,696	17,818
Other Services (except Public Administration)	4,809	4,949	5,062	5,157	5,239	5,285
Government	21,296	21,641	21,917	22,146	22,339	22,438
Unclassified Industry	<10	<10	<10	<10	<10	<10
	162,954	165,761	167,981	169,790	171,294	171,995

Figure 5: Occupations in Low and Moderate Income Census Tracts in 2017



Source: U.S. Census Bureau. American Fact Finder 2017 5-year Estimates. "Occupations"  
<https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Figure 6: Occupations in Low and Moderate Income Census Tracts in 2017

