



Second Program Year Action Plan

The CPMP Second Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 2 Action Plan Executive Summary:

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 2 Action Plan General Questions response:

The City of Chattanooga is located in Hamilton County in the southeastern part of the state of Tennessee. The City is strategically located on the Tennessee River, with its beauty and splendor, at the crossroads of three major interstates, two rail lines, and centrally located between the four major cities of Nashville, Knoxville, Atlanta, Georgia, and Birmingham, Alabama. In 2003, the City of Chattanooga's population was estimated at 154, 887, the largest of ten cities in the county (2003 estimate of the county's population was 309,510). Fifty percent of the county's population lives in the city.

The racial makeup of the city is 59.7 % white, 36.1% black, and, 3.5% other ethnic minorities. The Hispanic or Latino population makes up 2.1% of the ethnic minorities.

The jurisdiction consists of twenty (20) low to moderate income census tracts, constituting the majority of the city's core, inner city neighborhoods.

CDBG, HOME Investment Act, ADDI, and ESG Entitlement funds will be allocated to meet the needs of LMI individuals and neighborhoods.

See Attachment, Distribution of CDBG, HOME Investment Act, ADDI, and ESG Funds

The City of Chattanooga's 2005-2010 Consolidated Plan outlined five key areas of focus:

- Affordable Housing; Homelessness;
- Infrastructure Improvements;
- Impediments to Fair Housing,
- Public Facilities; and,
- Economic Development and Planning

In the Second Program Year Action Plan, the needs identified and the funding as approved by the Community Development Citizens Advisory Committee, the Mayor and City Council, has been outlined in the various sections that follow the General Questions of the Action Plan for FY 2006-2007.

The City of Chattanooga will provide funding of CDBG, HOME Investment Act, ADDI and Emergency Shelter Grant (ESG) funding as follows:

- CDBG \$1,963,196
- HOME \$1,116,356
- ADDI \$ 21,507
- ESG \$ 83,152
- Program Income \$1,487,941

- TOTAL \$4,672,152

In addition to the HUD Entitlement Funding that has been designated for the five focus areas identified in the Consolidate Plan, there are other federal, state, and local sources of funding received by other agencies and organizations in the Chattanooga area that has been designated to address needs of low to moderate income individuals and families.

The Continuum of Care funding through the McKinney-Vento Act will receive \$1, 221,823 to address homelessness for emergency shelter operations and projects, Shelter Plus Care rental assistance, and provide employment, health, permanent housing, and supportive services through eight program areas and agencies.

The Chattanooga Housing Authority currently manages 3012 Housing Choice vouchers (Section 8) for low to very low income households. A \$35 million dollar Hope VI project is nearing completion and is partially occupied that is providing opportunities for rental (274) and home ownership (125) for a total of 400 households. CHA has also applied for Hope VI funding to construct additional housing units for rental and homeownership at other public housing sites.

The Tennessee Housing Development Agency (THDA) in 2005 awarded Low Income Housing Tax Credits to three developers that will create affordable housing alternatives to 213 households with credits amounting to over \$1,376,010. The 2006 applications for Low Income Housing Tax Credits is for 278 additional units of affordable housing (LIHTC in Tennessee are awarded after the Action Plan due date).

To provide appropriate supportive services, respite care facilities, and transitional and permanent housing for homeless individuals and families, the City of Chattanooga recently purchased a 9 acre site at a cost of \$775,000 to provide a central location for the provision of homeless services. The site that is centrally located near the downtown central business district will provide easy access to transportation, medical treatment facilities, education and occupational training and job placement services. The property is adjacent to the Community Kitchen which provides health care, counseling, transitional housing, and a feeding and clothing center to serve the needs of the homeless.

The City received a HUD Pilot Grant of \$999,936 to secure housing for 100 chronic homeless individuals and families in the Chattanooga 10 county region. The funds will assist 50 people living in Chattanooga and another 50 people living within the surrounding 10 county area.

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 2 Action Plan Managing the Process response:

The City's lead office for developing the Consolidated Plan Process and the Action Plan is its Office of Community Development, in the Department of Neighborhood Services. The office was established in 1974 to administer the Community Development Block Grant funds. The Office has successfully addressed the needs of the city's low to moderate income citizens and neighborhoods for over thirty years. The office is located under the Mayor's Office and is responsible for a wide range of planning and community development activities and administration of the City's CDBG, HOME and Emergency Shelter Grant entitlement grants, American Dream Downpayment Initiative (ADDI), Shelter Plus Care grant, and affordable housing funds from the Tennessee Housing Development Agency.

PLAN DEVELOPMENT PROCESS

The City of Chattanooga's process in developing FY 2006-2007 Action Plan as part of the Consolidated Plan for years 2005-2010 began in September 2005. The process included a public workshop and technical assistance session. Public notices were published in local newspapers, letters were mailed to all previous subrecipients and nonprofit organizations to encourage their participation and submission of applications and project proposals. Those attending the workshop sessions included members of various citizen groups, professionals in the areas of social services, community and economic development, and housing, and agency representatives engaged in the provision of various services and programs for residents, and, members of the Chattanooga Community Development Citizens Advisory Committee.

Citizen Participation

Community planning and visioning processes that have been adopted and used in the city since the early 1980's have continued to ensure that a cooperative, public approach to community problem-solving is inclusive and is the standard operating procedure in Chattanooga.

A Community Development Citizens Advisory Committee develops and approves the Citizens Participation Plan, which provides for substantive input from the public into the design and expenditures in each of the Community Development program areas. The Advisory Committee members represent segments of the community and come from neighborhoods that are impacted by CDBG programs, representatives of local government, planning, as well as representatives from social services and economic development agencies. The Advisory Committee has been effective in advising on projects for funding, determining community priorities, and, providing assistance in evaluating the effectiveness of the success of projects and programs.

During the upcoming year, new members of the Advisory Committee will be recommended by the Mayor, and, City Councilmen, who appoint members of their districts to serve on the Advisory Committee.

Every effort is exerted to insure that housing, health, and social services agencies are involved in planning future projects, identification of needs and problematic issues. Members of the Community Development staff serve on Boards of Directors, and Advisory and Technical Committees to improve collaborative initiatives between the City and nonprofit service providers.

The Citizen's Participation Plan is in compliance with 24 CFR 91.05.

See Attachment, Citizens Participation Plan

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 2 Action Plan Citizen Participation response:

The City of Chattanooga's process in developing FY 2006-2007 Action Plan as part of the Consolidated Plan for years 2005-2010 began in October 2005. The process included two public workshops and technical assistance sessions. Also, public notices were published in local newspapers, letters were mailed to all previous subrecipients and nonprofit organizations to encourage their participation and submission of applications and project proposals. Those attending the workshop sessions included members of various citizen groups, professionals in the areas of social services, community and economic development, and housing, and agency representatives engaged in the provision of various services and programs for residents, and, members of the Chattanooga Community Development Citizens Advisory Committee.

Citizens were notified in October 2005 of the planning and development of Year 2 Action Plan and for their input into the FY 2006-2007 proposed allocation of Entitlement funds. Local nonprofit organizations and agencies were notified via mail and the media through public notices and advertisements which were published in local newspapers, the City's website, and through a local on-line internet news service.

The Citizens Advisory Committee met in September 2005 for the orientation of newly appointed members and to review the projected Entitlement funding levels and schedule for the Allocation Process for FY 2006-2007.

On November 3, 2005, the public was invited to participate in the Application/Allocation Process Workshop. Workshop attendees received instructions on the application process, instructions on completion of the application package, projected amount of funding available, guidelines on the various funding opportunities and program eligibility criteria and, deadline dates.

A Technical Assistance Workshop was held on December 8, 2005 to provide directions and assistance to first time applicants as well as to address any additional questions and assistance to veteran applicants.

Applications were received through the Office of Community Development on December 16, 2005. A total of 50 applications were received from the city's nonprofit community and city departments for funding of proposed projects.

Members of the Citizens Community Development Advisory Committee made recommendations for funding projects through the subrecipient network. The final recommendations were approved by the City's elected officials; the Mayor and City Council Members on February 28, 2006.

The public was given a 30-day comment period on the proposed projects and funding.

TO DATE, THERE WERE NO COMMENTS RECEIVED BY THE PUBLIC ON THE CONTENTS OF YEAR 2 ACTION PLAN.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 2 Action Plan Institutional Structure response:

The Office of Community Development has been incorporated into the City of Chattanooga's Department of Neighborhood Services and Community Development. Under this new structure, Community Development will work within the new organization to acquaint the officials on HUD regulations and policies.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 2 Action Plan Monitoring response:

The City of Chattanooga receives three entitlement grants under the Consolidated Plan for which the Office of Community Development is responsible for managing. These grants include; Community Development Block Grant, Emergency Shelter Grant, and HOME Investment Partnership Program funds. Occasionally, other grants or initiatives from HUD, other federal departments and the State also are placed under the management and oversight of the CD Office. The CD Office maintains a monitoring system that provides CD Office staff with tools, guidance, forms and a format for monitoring grants.

The level or scope of monitoring for an activity or program is determined by several factors, including but not limited to; the type of activity funded, the amount of funding provided, the size or capacity of the recipient organization, the role or responsibility being assumed by various parties, the scope of the last monitoring, time lapse since that monitoring, and the results of the last monitoring.

A level of monitoring is built into the office's overall grant management delivery system and is performed throughout the year. This involves examination of vouchers, reviewing quarterly status reports, reviewing independent audit reports, reading newspaper articles, attending meetings or events sponsored by funded organizations, and making on-site visits to the project, just to name a few. Many times these routines enable the monitor to assess performance and identify any compliance problems prior to on-site monitoring.

However, some activities (high risk or inexperienced sub-recipients) require continuous oversight or monitoring while others require less. Certain programs or grants, like the HOME program areas or organizations require in-depth monitoring each year. Risk factors such as the following are also used to assist in determining the level or scope of monitoring to be performed.

Effective monitoring is not a one-time event, but an ongoing process of planning, implementation, communication, and follow-up. As a result, a monitoring of grant activities is distributed throughout the life of the project or program year. The monitoring involves people from inside and outside and requires detailed information, reports, meetings, and documentation. Not only do we monitor organizations that have been entrusted with grant funds, but we also conduct internal monitoring to ensure that we are administering the grants correctly. The monitoring efforts of the CD Staff are guided by both the responsibilities under the grants and the goals established for the community through the use of these funds. The monitoring efforts include, but are not limited to:

- Identifying and tracking program and project results;
- Identifying technical assistance needs of City, organizations, recipients, and subrecipient staff;
- Ensuring timely expenditure of funds;
- Documenting compliance with program rules;
- Preventing fraud and abuse; and
- Identifying innovative tools and techniques that support community goals.

To organize monitoring efforts, an annual monitoring list is developed. The CD staff reviews the list with management and from the list develop a plan that outlines the strategy and scope needed to conduct a thorough review to determine that all activities are properly monitored and meeting regulatory requirements. The monitoring plan consists of the following:

Monitoring Objectives and Strategy:

The plan identifies the monitoring goals and strategies, highlighting areas to which staff should pay special attention during the monitoring visit and throughout the funding of the activity.

Ongoing Monitoring:

The plan identifies the check-points that ensure a minimum level of review for all activities during the year and the scope and frequency of those reviews. This component identifies specific reports to be generated and reviews to be conducted, as well as establishing the frequency and timing of such reviews.

Monitoring Staff and Schedule:

The plan indicates when monitoring reviews will be performed and by whom. The monitoring plan is updated annually and distributed to staff.

Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Program Year 2 Action Plan Lead-based Paint response:

The City of Chattanooga is located in Hamilton County in southeastern Tennessee. In the City, the 2000 U.S. Census estimate that there is a total of 65,499 housing units, both homeowner and rental. The number of units that are considered to have a high risk of lead-based paint hazards is approximately 2% or 2,800 of the 22,000 housing units that were constructed prior to 1950. Of the total number of 22,000 units built prior to 1950, it is estimated that approximately 13% or 16,000 units are occupied by low income individuals. The number of children under the age of 5 living below poverty is 4,700 or 26%.

The City of Chattanooga went into compliance with the Lead Based Paint regulations in 2002. All of the affordable housing providers using federal funds comply with HUD's Lead-Safe Housing Regulations and lead hazard evaluation and reduction activities are included in all housing and improvement programs.

As part of the environmental review process, the Chattanooga-Hamilton County Air Pollution Control Bureau identifies project's potential lead hazards.

Housing operators assess projects undertaken to ensure lead dangers are corrected, abated, or avoided. All workers on site must have attended and completed a Lead Based Paint Safe Work Practices Training course, and are certified to work on projects where \$5,000 to \$25,000 of federal funds, per unit, is allocated. Above \$25,000, total abatement must occur, either totally removed or encapsulated to last for a period of at least 25 years, and thus, certified abatement contractors must be employed to complete the rehabilitation work.

Of the 190 units in rental and single family structures (one year goal), the Office of Community Development assumes lead based paint is present in 80% of the units of which approximately 150 units will be capsulated or abated.

On February 22, 2006, a one day course in Lead Safe Work Practices was offered in Chattanooga. The course was taught at Chattanooga Neighborhood Enterprises (CNE) with an attendance of 44 persons, primarily rehabilitation workers and other construction professionals. The course certifies construction workers to work on residential renovation and repair projects that are fully or partially funded (\$24,999 or less) with CDBG and/or HOME funds.

Future courses will be offered during Year 2 of the Action Plan to increase the number of workers who are certified to work on various housing projects that receive federal funding.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 2 Action Plan Specific Objectives response:

AFFORDABLE RENTAL

1. Increase the stock of safe, affordable, decent rental units by 90 units, particularly in low- and moderate-income areas.
2. Increase accessibility to affordable rental housing for low income citizens through the provision of subsidies.
3. Provide systematic inspection of rental housing and enforcement of local codes to insure that rental units are safe and decent.
4. Increase the capacity of community-based organizations to develop affordable rental housing projects.

HOMEOWNER REHABILITATION

1. Rehabilitate 100 substandard low-income owner-occupied homes with low- to no- interest loans.
2. Weatherize and render more energy efficient 100 units serving low-income families.

AFFORDABLE HOMEOWNERSHIP

1. Help 120 first time LMI home purchasers with affordable mortgage financing and assistance with closing and down payment costs.
2. Facilitate in maintaining local private lender financing for LMI mortgages.
3. Expand homeowner education programs to reach 1,000 people over the next five years.

LOCAL/PUBLIC RESOURCES AND PROJECTS FOR FY 2006-2007:

1. 28th DISTRICT COMMUNITY DEVELOPMENT CORPORATION--\$167,453--HOME Investment Act funds will be used for the construction of housing structures in the Bushtown Community.
2. CHATTANOOGA NEIGHBORHOOD ENTERPRISE (CNE)--\$1,954,000--HOME Investment Act and CDBG funds will be used to provide Home Improvement/Home Purchase Assistance/Affordable Rental Development/Supportive Housing Projects, and Home Buyer Education to assist approximately 210 very low and low to moderate income households to improve their housing, using direct loans for home purchase, improvements, affordable rental, and development of in-fill housing. Additional funding will include combinations of State, local, and private funds.
3. FRONT PORCH ALLIANCE--\$48,000--in partnership with World Changers, the organization through its Home Repair Project will assist a minimum of 37 eligible homeowners in Districts 8 and 9. The funds will be used for the cost of construction materials.
4. GOOD NEIGHBORS--\$397,92400--organization will renovate three units of affordable rental. Funding is for the actual cost of the project
5. HOPE FOR CHATTANOOGA--\$32,000--with the assistance of 300 volunteers, funding will be used for construction materials for the renovations of 12 houses of low to moderate income residents residing in Census Tract 12, Glenwood community.
6. CITY OF CHATTANOOGA DEPARTMENT OF PUBLIC WORKS--\$125,000--will be used to provide assistance for private sanitary lateral repair and/or replacement to qualified homeowners in Districts 8 and 9.
7. CITY OF CHATTANOOGA OFFICE OF COMMUNITY DEVELOPMENT--\$21,507--this represents the city's allocation of the American Dream Downpayment Initiative (ADDI) funds that will be made available for partner organizations to provide down payment assistance to eligible first-time homebuyers.

\$113,000 in unallocated HOME Investment Act funds are available for future projects with eligible housing organizations.

HOME match requirements will be met through excess match carried over, non-HUD program income from affordable housing projects and other non-HUD leverage.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 2 Action Plan Public Housing Strategy response:

1. Improve the housing mix and building configuration of public housing developments by demolishing selected developments through the demolition of non-viable units and replacement with scattered site developments.
2. Increase public safety at CHA's multi-family sites and insure that City services are at a level equal to or better than surrounding neighborhoods.
3. Expand opportunities for residents to become more self-sufficient and assure that at least 10 residents are given opportunities for training and employment with the CHA and its contractors.
4. Increase housing choices in the private rental market for LMI families in neighborhoods throughout the City.
5. Establish partnerships that result in increased quantity, quality and choices of housing and lifestyle.
6. Revitalize neighborhoods near two major public housing developments by 2008.
7. Provide home ownership for 150 families through Housing Choice Voucher Program, HOPE VI home ownership and the sale of single family homes under a lease to own project.
8. Decentralize operations to site based management.
9. Bring all properties up to market rate standards.
10. Manage a Truancy Prevention and educational program to ensure that children are educated.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 2 Action Plan Barriers to Affordable Housing response:

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

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:

- a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
- a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 2 Action Plan HOME/ADDI response:

The City of Chattanooga will use ADDI funds for downpayment assistance to first time home buyers through an agreement with local housing providers that meet the criteria for disbursements of HOME/ADDI funds.

See Attachment, Recapture/Resale Restrictions and Long-Term Affordability.

HOME Refinancing Guidelines

The refinancing of existing debt secured by multifamily housing that is being rehabilitated with HOME funds is an eligible activity, if the refinancing allows the grantee's overall project costs to be reduced and as a result the project is more feasible. But the grantee must:

- a. Demonstrate that rehabilitation is the primary eligible activity and that the debt being refinanced does not exceed 25% of the total per unit rehab cost.

- b. Insure the City is given the opportunity to review the proposed project information to insure that it demonstrates that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
- c. Establish that the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- d. Adhere to a minimum required 15 years period of affordability.
- e. Insure that the project is located within the Chattanooga City limits.
- f. Not use HOME funds to refinance multifamily loans made or insured by any federal program, including CDBG.

Not use HOME funds to refinance multifamily loans made or insured by any federal program, including CDBG.

ADDI

As the PJ, the City of Chattanooga has been allocated \$21, 507 for FY 2006-2007. Grant allocations are based on the total of low-income households residing in rental housing as determined by the most recent census data. Each state receives ADDI funds proportionalte to the percentage of the national total of low-income households residing in rental housing in the state. Each PJ's allocation is based on the PJ's percentage of the statewide low-income rental households.

The City of Chattanooga will target its ADDI funding to residents of the local public housing authority that provides Section 8 Home Ownership Program for tenants that meet the eligibility criteria for assistance. Additionally, the PJ has developed marketing and outreach materials to target minority citizens that includes the growing Hispanic community. Working with organizations whose clientele represent specific demograhic characteristics and members of families living in overcrowded conditions will be encouraged to look at home ownership as a positive approach to improving quality of life issues.

Individuals and families participating in the ADDI program, through local housing providers, will be enrolled in an education and training program that specifically addresses issues involved in purchasing homes. The focus of these education and training programs is to acquaint the participants with housing financing, provide counseling on a one-on-one basis, instruct residents on homeownership responsibilities, and, personal financial management.

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 2 Action Plan Special Needs response:

SOURCES OF FUNDS

Through the Continuum of Care, the community has applied for McKinney-Vento Funds, Shelter Plus Care, Emergency Shelter Grant (ESG) funds, and City of Chattanooga Entitlement funding, with additional public, private, and state funding:

1. CHATTANOOGA CHURCH MINISTRIES, INC.--\$90,873--Supplemental Assistance for facilities to assist the homeless.
2. CHATTANOOGA CHURCH MINISTRIES, INC.--\$94,828--to support the HELP II homeless employment and life skills program.
3. CHATTANOOGA HOMELESS COALITION--\$34,000--CDBG funds to provide the match for HUD funds for the management and operations of the HMIS system and Community Voice Mail.
4. CHATTANOOGA HOMELESS COALITION--\$25,000--CDBG funds for the planning and application process for the annual Continuum of Care grant applications.
5. CHATTANOOGA HOUSING AUTHORITY--\$148,800--Permenant housing solutions for chronically homeless individuals with disabilities.
6. CHATTANOOGA HOUSING AUTHORITY--\$332,560--Permanent housing solutions for families.

7. CHATTANOOGA ROOM IN THE INN--\$5,000--CDBG funds will be used to erect a storage building at the shelter to increase the capacity of items available for use by the clients.
8. CHATTANOOGA ROOM IN THE INN--\$15,532--ESG funds will be used for operational costs associated with running the shelter.
9. CITY OF CHATTANOOGA--\$164,220--Tenant based rental assistance for homeless mentally ill, homeless dually diagnosed and homeless with AIDS and AIDS related conditions.
10. CITY OF CHATTANOOGA--\$4,158--ESG funds to provide for administrative activities associated with managing the ESG funds.
11. COMMUNITY KITCHEN--\$10,000--ESG funds to provide funding for the operations of the Community Kitchen and payment of heating bills.
12. FORTWOOD CENTER, INC.--\$138,649--Transitional housing for homeless SPMI adults who are specifically homeless due to living on the streets or in a shelter
13. THE COUNCIL FOR ALCOHOL & DRUG ABUSE SERVICES, INC.--\$211,255--To provide funding for the Family Way program which is a transitional living program for newly sober, homeless women and their children. The program provides case management and referral and supportive services.
14. THE COUNCIL FOR ALCOHOL & DRUG ABUSE SERVICES, INC.--\$41,638--Steady Steps/Oasis Extended Care Transitional Living Program is a 35 bed facility for homeless men & women with alcohol and drug abuse issues.
15. PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS--\$40,931--ESG funds to assist with shelter operational costs at the Emergency Shelter for Families.
16. PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS--\$12,531--ESG funds to assist with shelter operational costs at the shelter for victims of family violence.
17. HUD PILOT GRANT--\$999,936--Funds are to secure housing for 100 chronic homeless individuals and families in the Chattanooga 10 county region. The funds will assist 50 people living in Chattanooga and another 50 people living within the surrounding 10 county area.

ESG match requirement will be met by the funded agencies through volunteer hours.

HOMELESSNESS

The City of Chattanooga in its FY 2006-2007 Year 2 Action Plan has focused some of its funding for housing to include development of affordable and decent rental housing that can become available for Section 8 certificate holders, accomplish the annual goal of creating at least 140 housing units that will be available for permanent housing to reduce the overall number of homeless individuals and families, and the creation of housing opportunities through the shelter plus care program for dually diagnosed individuals.

The establishment of the Regional Interagency Council on Homelessness (RIACH) will serve to enhance government and nonprofit capacity to raise federal and private funds to address the needs for the reduction of the number of homeless individuals and families within the community.

The Community Foundation, a local community based organization, provided support to the RIACH of \$10,000 to provide analysis and data collection to identify the homeless environment within the community in order to take positive steps to eradicate homelessness.

The City is assisting Habitat for Humanity to provide another eleven homes for the very low income by provision of necessary infrastructure improvements to the property sites of these new housing units.

HOME Investment Act funding is made available for development of supportive housing projects directed specifically to address the stock of permanent housing units.

CHRONIC HOMELESSNESS

Within the year, the city will purchase 9 acres of adjacent land located at the Chattanooga Community Kitchen to expand operations for a respite care facility for homeless individuals that are recently released from local medical facilities as well as a day center that will serve to provide an array of services to the homeless.

In addition, the availability of this property will serve to combine and coordinate homeless services that are now scattered throughout the community in a more centralized location that is assessible by public transportation, in close proximity to medical services, and adjacent to job search/counseling and training centers. This property will be developed through public/private partnerships that will address the strategies outlined in the Blueprint to End Chronic Homelessness in the Next Ten Years.

The City provides assistance to the Community Kitchen in operational costs to continue to operate the HELP II Program that has moved the chronically homeless into job training and placement activities that has led 70% of the participants into permanent housing arrangements.

The City is providing funding to various community based housing development organizations in increasing their capacity to develop affordable housing programs.

The City received 50 permanent housing opportunities for the chronic homeless through a HUD grant of \$999,936 to secure housing for 100 chronic homeless individuals and families. Another 50 housing units will be developed in the surrounding 10 county region.

Working within the faith-based community, the Regional Interagency Council on Homelessness (RIACH) has provided workshops focused on the role of faith-based organizations in ending chronic homelessness and in assisting these organizations to provide avenues that will assist with discharge planning.

Funding for the HMIS and Community Voice Mail System provides an accurate tracking mechanism as well as a means through which community resources can be best utilized in provision of case management and follow up services to those individuals and families that are in critical need of supportive services that will lead to permanent housing and job search and training opportunities. The HMIS participation levels are being increased and will improve the efficiency of service delivery among the targeted community.

In Year 2 Action Plan, the establishment of various partnerships with faith-based organizations to enhance the rental/ownership rehabilitation programs targeted at neighborhood revitalization areas will serve to have a positive impact on the declining numbers of chronic homelessness.

Available of funding that will increase the stock of safe, affordable and decent rental units in partnership with community organizations is a major obstacle. The decreasing funding available in both the public and private sectors will negatively impact the effect and the number of housing units that are affordable.

HOMELESS PREVENTION

The action steps over the next year to address the individual and families with children at imminent risk of becoming homeless are:

The continued support of the shelters that operate in the community to provide temporary and transitional housing to children and their families that are impacted with homelessness or are in imminent danger of becoming homeless. These organizations are: Family Violence Center, Room In the Inn, and the Family Emergency Shelter.

DISCHARGE COORDINATION POLICY

Working within the faith-based community, the Regional Interagency Council on Homelessness (RIACH) has provided workshops focused on the role of faith-based organizations in ending chronic homelessness and in assisting these organizations to provide avenues that will assist with discharge planning.

The police and sheriff departments, surrounding counties, hospitals and other medical treatment facilities have become more diligent in securing housing for persons in their care, prior to discharge.

One of the major obstacles is the limited number of case workers to provide adequate assistance to other organizations that provide services to the homeless. The amount of funding for personnel costs out of many federal grants are so limited that case workers are not apart of the organization's staffing pattern.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 2 Action Plan ESG response:

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 2 Action Plan Community Development response:

PUBLIC FACILITIES

Long Range Objectives (5 Years)

1. The City, through public-private partnerships, will develop the potential for Greenways in low- and moderate-income target neighborhoods.
2. Improving the general safety of neighborhoods with improved lighting, sidewalks and other infrastructure needs.
3. The City, through public-private partnerships, will develop the potential for Greenways in low- and moderate-income target neighborhoods.
4. Improving the general safety of neighborhoods with improved lighting, sidewalks and other infrastructure needs.

INFRASTRUCTURE IMPROVEMENTS

1. Meet federal, state and local standards regarding stormwater runoff and solid waste disposal.
2. Have no areas in the City under State of Tennessee sewer moratorium.
3. Continue to reduce the percentage of materials entering the City's landfill through aggressive recycling and alternate brush disposal efforts.

4. Improve neighborhood infrastructure such as sidewalks, greenways, street lighting, street improvements and landscaping as part of comprehensive neighborhood revitalization strategies.
5. Provide and maintain infrastructure expansion and improvements, such as street widening, traffic signals and bridge repair.

PUBLIC AND SOCIAL SERVICES

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

ECONOMIC DEVELOPMENT

1. Improve the quality of the local workforce.
2. Increase the availability of appropriate sites and buildings for commercial and retail development.
3. Redevelop abandoned industrial sites (brownfields) in the City.
4. Improve access to capital for the creation or expansion of small businesses.
5. Build on the City's opportunity to develop into a regional center for environmental and technology oriented businesses.
6. Increase opportunities for retention and expansion of the existing business base.
7. New business development and expansion.

PROJECT FUNDING RESOURCES

The projects that will be funded in the FY 2007-2008 are:

ADMINISTRATIVE AND PLANNING:

1. **CHATTANOOGA HOMELESS COALITION--\$25,000--funds for the planning and application process for the yearly Continuum of Care grant applications.(Previously cited under Homeless Services)**
2. **CITY OF CHATTANOOGA OFFICE OF COMMUNITY DEVELOPMENT--\$507,600--funds to provide for the administrative activities of the Office of Community Development and planning activities associated with the management and monitoring of HUD funded projects.**

INFRASTRUCTURE IMPROVEMENTS

3. CHATTANOOGA ROOM IN THE INN--\$5,000--CDBG funds will be used to erect a storage building at the shelter to increase the capacity of items available for use by the clients. (Previously cited under Homeless Services)
4. CITY OF CHATTANOOGA-DEPARTMENT OF PUBLIC WORKS--\$200,000--funds will be used for the construction of sidewalks in eligible census tracts.
- 5.
6. CITY OF CHATTANOOGA OFFICE OF COMMUNITY DEVELOPMENT--\$600,000--provide funding to cover the debt servicing of a loan for the infrastructure construction projects for the HOPE VI site in Alton Park.

PUBLIC SERVICES

8. CHATTANOOGA HOMELESS COALITION --\$34,000--CDBG funds to provide the match for HUD funds for the management and operations of the HMIS system and Community Voice Mail.(Previously cited under Homeless Services)
9. CHATTANOOGA COMMUNITY HOUSING RESOURCE BOARD (CHRB)--\$50,000--funds will be used to provide housing counseling services, referrals, homelessness, landlord and tenants' rights, foreclosure preventions and workshops to low income residents.
10. CHATTANOOGA NATURE CENTER --\$2,000--funds to provide free environmental education programs to low to moderate income students
11. ST. ELMO/ALTON PARK PARTNERS --\$9,000--funds to cover transportation expenses for the organization's prekindergarten, Child Transportation Program.
12. YMCA COMMUNITY ACTION PROJECT --\$30,000--funds to be used to add a counselor position to increase student accessibility to the programs offered.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 2 Action Plan Antipoverty Strategy response:

1. YouthBuild in its third year offers education and training to public housing residents between the ages of 18 to 24, without a high school education, to learn job skills in the construction industry and work toward completion of their high school

equivalent (GED) diploma, recognizing that poverty and education attainment levels have a direct correlation that results in either negative or positive career options.

2. Self-Sufficiency programs managed by the CHA which serves the largest number of persons falling below the 30% income bracket. Families and its members are given priority for public housing vacancies that are employed and/or participants in self-sufficiency development activities.

3. Truancy Prevention Program is designed to keep children between 1-12 grade levels in school. As household residents of public housing, parents are encouraged to motivate their children to participate in school attendance, and, summer camp programs that provide positive educational experiences for children and their parents.

4. Available job opportunities that exist in public housing are open to residents at all public housing sites, including HOPE VI projects.

5. Technology Centers are strategically located on or near public housing sites to allow access to internet and computer training opportunities to increase job search and placement opportunities.

6. Chattanooga's Renewal Community (RC) Initiative is currently designated in five census tracts in the core city. The RC's strategy is to work to attract and create new business, manufacturing, and commercial/retain opportunities in neighborhoods that are low to moderate income and provide various tax incentives to business owners to develop new job opening and employment options for residents. Residents that are afforded opportunities to participate can be the unemployed, underemployed, TANF, Welfare-to-Work, or youth living in these census tracts. The City has applied to HUD to expand the Renewal Community to include seven (7) additional census tracts. This would more than double the current designated census tracts. Businesses in the RC have qualified for a total of \$48 million in incentives for commercial and industrial buildings. The total of 34 projects awarded the CRD are projected to invest over \$188 million in construction and wages and create more than 900 jobs.

7. The Chattanooga Small Business Incubator and the Small Business Development Center, operated by the Small Business Administration, provides the citizens in all economic and financial brackets, entrepreneurial education and opportunities.

8. To address issues in business financing and access to capital, utilizing CDBG funds and technical assistance, provide assistance to credit unions located in low to moderate income neighborhoods and serving the residents of that community.

9. Through the firm, Southeast Community Capital that sponsors the Chattanooga Opportunity Fund, continue to provide seed capital for start-up and minority owned firms that traditionally are underserved.

10. The City of Chattanooga will continue to develop Enterprise South, a 2,800 acre industrial park designed to attract large manufacturers and industry to create jobs for the citizens of the area.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 2 Action Plan Specific Objectives response:

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs

of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.

9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 2 Action Plan HOPWA response:

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 2 Specific HOPWA Objectives response:

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.