



# Fourth Program Year Action Plan

The CPMP Fourth 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.

## SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted 5/13/2008	Applicant Identifier	<b>Type of Submission</b>	
Date Received by state	State Identifier	<b>Application</b>	<b>Pre-application</b>
Date Received by HUD	Federal Identifier	<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input type="checkbox"/> Non Construction	<input checked="" type="checkbox"/> Non Construction
<b>Applicant Information</b>			
City of Chattanooga		TN470336 CHATTANOOGA	
City of Chattanooga, Tennessee		04-311-2341	
101 East 11 <sup>th</sup> Street, Suite 200		Department of Neighborhood Services and Community Development	
Chattanooga	Tennessee	Department	
37402	Country U.S.A.	Division	
<b>Employer Identification Number (EIN):</b>		Hamilton	
62-6000259			
<b>Applicant Type:</b>		<b>Specify Other Type if necessary:</b>	
Local Government: City		Specify Other Type	
<b>Program Funding</b>		<b>U.S. Department of Housing and Urban Development</b>	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
<b>Community Development Block Grant</b>		14.218 Entitlement Grant	
CDBG Project Titles Various Projects		Description of Areas Affected by CDBG Project(s)	
\$CDBG Grant Amount 1,716,636	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds \$1,500,000		\$Grantee Funds Leveraged 2,070,019	
\$Anticipated Program Income 667,769		Other (Describe) Reallocation of PY CDBG funds \$32,231.00	
Total Funds Leveraged for CDBG-based Project(s) 3,570,019			
<b>Home Investment Partnerships Program</b>		14.239 HOME	
HOME Project Titles Homebuyer, Rental, Homeowner Rehab		Description of Areas Affected by HOME Project(s)	
\$HOME Grant Amount 1,082,058	\$Additional HUD Grant(s) Leveraged	Describe	

\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged 213,040	
\$Anticipated Program Income 550,000		Other (Describe)	
Total Funds Leveraged for HOME-based Project(s) 213,040			
<b>Housing Opportunities for People with AIDS</b>		14.241 HOPWA	
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			
<b>Emergency Shelter Grants Program</b>		14.231 ESG	
ESG Project Titles Operational and Essential Services		Description of Areas Affected by ESG Project(s)	
\$ESG Grant Amount 85,036	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged 876,000	
\$Anticipated Program Income 0		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s) 876,000			
Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts 3 <sup>rd</sup>	Project Districts 3 <sup>rd</sup>	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Juliette	R.	Thornton
Asst. Manager, Comm. Dev.	(423)757-0022	(423)757-5065
thornton_ju@mail.chattanooga.gov	Grantee Website	Sandra H. Gober
Signature of Authorized Representative		Date Signed

# 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 4 Action Plan Executive Summary:

The Annual Action Plan outlines activities which will be undertaken during the program year beginning July 1, 2008 and ending June 30, 2009 using Federal Entitlement funds granted to the City of Chattanooga by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), and Emergency Shelter Grant (ESG). Programs and activities in this Action Plan are to primarily benefit low and moderate income residents, census tracts with high concentrations of low to moderate income residents, and the city as a whole.

The Action Plan also includes narratives, maps and tables which identify the geographic areas in which it will direct assistance, a description of homeless and other special needs activities, as well as a description of other proposed actions to foster affordable housing, public housing improvements, assistance to public housing and resident initiatives, development of the city's Action Plan and public participation, evaluation and reduction of lead-based paint hazards, and reducing the number of persons below the poverty line.

In addition, the Action Plan includes program specific requirements that include the total amount of CDBG, HOME, ADDI and ESG funds allocated including anticipated program income. The Plan also outlines for the HOME Program, a description of the other forms of investment, use of HOME funds for homebuyers, and guidelines for resale or recapture of HOME funds required under 24 CFR 92.254. The Action Plan contains a narrative description of the standards and procedures that the City will use to monitor activities. Also included are required certifications and other statutory program requirements.

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

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

• CDBG	\$1,716,636
• HOME	\$1,073,368
• ADDI	\$ 8,690
• ESG	\$ 85,036
• Program Income	\$1,217,769
• Reallocations	\$ 32,231
<b>TOTAL</b>	<b>\$4,133,730</b>

CDBG and HOME Investment Act Funds of over \$2.1 million dollars will be used to provide affordable housing for homeownership opportunities and to maintain a supply of affordable rental units. In partnership with nonprofit housing developers, the City will assist in the construction of four (4) new housing units, provide down payment assistance to fifty-eight (58) households, conduct a homebuyer education program for 54 households, and provide zero and low interest loans for the rehabilitation of seven (7) homeowner housing units and ten (10) rental housing units.

In collaboration with Front Porch Alliance, \$50,000 in CDBG funds will be used to make repairs on some 45 units of homeowner occupied housing.

About \$50,000 in CDBG funds will be used for the demolition of nine housing units that are unsafe and create slum and blight within various communities.

During FY 2008-2009, \$65,000 will be used to promote fair housing activities with some \$353,084 to be used to prevent homelessness through services to homeless individuals and families through the support of transitional housing and the provision of essential services to homeless shelters.

CDBG funds of \$663,441 will be used to improve streets and sidewalks in low to moderate income neighborhoods during FY 2008-2009.

The City of Chattanooga has submitted an amendment to HUD for a Section 108 Loan Guarantee application of \$10 million which was initially approved in 2005 for projects that included Infrastructure Improvements and Construction Projects, a Community Development Revolving Loan Fund, and a Brownfield Development Program.

The amendment changes the use of a portion of the funds to include financial assistance in the form of a loan to the Electric Power Board's "Fiber to the Home" (FTTH) project designated for homes, commercial, industrial and retail businesses, and health and educational institutions located in the low to

moderate income neighborhoods in Census Tracts 19, 20 and 23. The FTTH will allow the Electric Power Board (EPB) to wire each house and other structures to provide telephone, data/internet and cable television service to these neighborhoods. The FTTH will increase efficiency of services through off-site meter reading and monitoring electrical usage and set demand time pricing which will further reduce the customer electric costs. In addition, the quality of data/internet service will be substantially increased.

There will also be a Brownfield and Community Development Loan Fund available to both nonprofit and for profit entities. The Loans must meet at least one of the national objectives of eliminating slums and blight, providing housing opportunities for at least 51% low and moderate income persons or creating job opportunities for at least 51% low and moderate income persons. The funds can be used for housing rehabilitation, loans to small businesses, for public facilities improvements, and to assist in the cost of cleanup and redevelopment of environmentally contaminated properties for the creation of new business ventures and creation of jobs.

Additionally, a portion of the funds will be used to pay off a Fannie Mae loan used for support of the infrastructure for the HOPE VI project.

The proposed use of the funds is as follows:

Pay Off Fannie Mae Loan	\$2,252,555
Revolving Loan Fund	2,300,000
Electric Power Board FTH Project	<u>5,447,445</u>
Total	\$10,000,000

The City must pledge its future CDBG funds and other collateral as security for the Section 108 Loan Guarantee. The loan can be repaid over a twenty year period. The City proposes to use future CDBG allocations to repay the \$2,252,555 related to the Fannie Mae pay off and the \$2,300,000 for the revolving loan. The total debt of \$4,552,555 will be amortized and paid off over a twenty year period. It is estimated that the annual payment from CDBG funds will be approximately \$400,000.

The \$5,447,445 for the Electric Power Board's "Fiber to Home" project will be structured as a loan to EPB with terms and payments to cover the repayment of this debt over a maximum of fifteen years.

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.

## Performance Measurement

The U.S. Department of Housing and Urban Development (HUD) established new performance measurements and criteria that are linked to program objectives and outcomes. The purpose is to determine the effectiveness of programs and projects funded through HUD Entitlement funds on a universal basis. The objectives and outcomes for projects funded during FY 2008-2009 are:

**CITY OF CHATTANOOGA  
FY 2008-2009 ANNUAL ACTION PLAN  
Performance Measurement**

**CDBG PROGRAM PRIORITY NEEDS AND GOALS**

<b>Project Name</b>	<b>Priority Need</b>	<b>Goal</b>	<b>Strategy</b>	<b>HUD Objective/Outcome</b>	<b>HUD Specific Objective</b>	<b>HUD Performance Indicator</b>
Chattanooga Homeless Coalition <b>\$34,000</b>	Homeless Services	Provide 140 homeless households permanent stable housing	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of Suitable Living Environment</b>	Increase the number of homeless persons moving into permanent housing	Provide access to HMIS for agencies serving homeless individuals and provide Community Voice Mail services
Chattanooga Homeless Coalition <b>\$25,000</b>	Homeless Services	Provide 140 homeless households permanent stable housing	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of Suitable Living Environment</b>	Increase the number of homeless persons moving into permanent housing	Support and pay staff for development of the CoC application for homeless service providers in the city
Chattanooga Neighborhood Enterprises, Inc. <b>\$200,000</b>	Affordable Housing	Rehabilitate 100 substandard low income owner occupied homes with low-to-no interest loans	Expand the supply of single family housing units for low income families	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Rehabilitate 23 housing units
Chattanooga Neighborhood Enterprises, Inc. <b>\$50,000</b>	Affordable Housing	Provide low income citizens with two Foreclosure Prevention Pilot Projects	To eliminate barriers to affordable housing for low income citizens	<b>Improve affordability of Decent Housing</b>	Education and Outreach in predatory lending practices and unfair housing practices	Decrease the number of homeowners experiencing foreclosure and assist 50 households
Chattanooga Neighborhood Enterprise, Inc. <b>\$65,000</b>	Fair Housing	Operate the Housing Info-line and provide housing counseling/referrals/ landlord tenant rights	To eliminate barriers to affordable housing for low income citizens	<b>Improve availability and accessibility of Suitable Living Environment</b>	To improve fair housing opportunities for low income citizens	Provide referrals, education and outreach and address housing issues faced by low income citizens received from Info-line
Depart. of Neighborhood Services & Comm. Dev.- Rental Rehabilitation <b>\$50,000</b>	Affordable Housing	Rehabilitate rental units that are affordable	Expand and support the provision of affordable rental units for low income individuals	<b>Improve affordability of Decent Housing</b>	Increase the supply of affordable rental housing	Provide a forgivable loan for rehabilitation of 10 units of rental housing by providing assistance up to \$10,000 per unit
Depart of Neighborhood Services & Comm. Dev.- Code Enforcement <b>\$50,000</b>	Slum and Blight	Removal of slum and blight in neighborhoods	Improve neighborhoods	<b>Improve availability and accessibility of a Suitable Living Environment</b>	Improve the quality of neighborhoods and create safe and decent housing	Demolition of 9 residential structures in a deteriorated state
Department of Neighborhood Services & Comm. Dev.-Debt Service Repayment <b>\$600,000</b>	Infrastructure Improvements (streets, sidewalks, lighting)	Support the construction of infrastructure in low to moderate income areas and the HOPE VI site	Identify infrastructure improvements for improving the general safety of neighborhoods with improved lighting, streets and sidewalks	<b>Improve availability and accessibility of Suitable Living Environment</b>	Improve quality and increase quantity of public improvements for low income citizens	2,500 plus low income residents with access to new sidewalks, streets, and lighting

**CDBG PROGRAM PRIORITY NEEDS AND GOALS  
FY 2008-2009**

City of Chattanooga

Project Name	Priority Need	Goal	Strategy	HUD Objective/Outcome	HUD Specific Objective	HUD Performance Indicator
Department of Public Works  <b>\$663,441</b>	Construction of streets and sidewalks	Support the construction of infrastructure in low to moderate income areas	Identify and implement infrastructure improvements for improving the general safety of neighborhoods with improved streets and sidewalks	<b>Improve availability and accessibility of Suitable Living Environment</b>	Improve quality and increase quantity of public improvements for low income citizens	City general funds used in combination with federal dollars to upgrade infrastructure in low income areas
Front Porch Alliance  <b>\$50,000</b>	Affordable Housing	Support a volunteer program in collaboration with faith-based institution for small home repairs for the elderly and disabled	Increase decent and safe housing opportunities for the elderly and disabled	<b>Improve affordability of Decent Housing</b>	Improve the quality of homeowner housing	Provide small home repairs for 45 low income elderly/disabled homeowners
Orange Grove Center  <b>\$100,000</b>	Physically and Mentally Disabled/Public Infrastructure Improvements	Provide and encourage the provision of services to the disabled population	Support programs that promote independent living skills	<b>Improve availability and accessibility of Suitable Living Environment</b>	Increase the range of related services for persons with special needs	Renovate a building to serve as a training center for physically and mentally disabled adults for life skills training opportunities
Southeast Tennessee Human Resource Agency  <b>\$29,300</b>	Homeless Services	Provide transportation services to low income and homeless citizens to access medical and other social services	Defray transportation costs of homeless individuals to secure services and employment opportunities	<b>Improve availability and accessibility of Economic Development Opportunity</b>	End Chronic Homelessness	Serve some 450 homeless individuals through provision of transportation for securing needed services

**HOME PROGRAM PRIORITY NEEDS AND GOALS  
FY 2008-2009**

City of Chattanooga

Project Name	Priority Need	Goal	Strategy	HUD Objective/Outcome	HUD Specific Objective	HUD Performance Indicator
28 <sup>th</sup> District CDC <b>\$214,000</b>	Affordable Housing	Encourage and support the provision of homeownership for first time low income home purchasers	Expand the supply of single-family housing units for low income households	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Construction of 6 new housing units in the Bushtown community
28 <sup>th</sup> District CDC <b>\$150,000</b>	Affordable Housing	Rehabilitate substandard low income owner occupied homes with low-to-no interest loans	Expand the supply of single family housing units for low income families	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Rehabilitate 7 housing units
Chattanooga Housing Authority <b>\$200,000</b>	Affordable Housing	Provide second mortgages for first time home purchasers at the HOPE VI site	Expand the supply of single family housing units for low income families	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Assist 5 households with down payment assistance for home purchases
Chattanooga Neighborhood Enterprises, Inc. <b>\$1,059,368</b>	Affordable Housing	Provide down payment assistance to low income home purchasers	Expand the supply of single family housing units for low income families	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Assist 50 households with down payment assistance for home purchases
Depart. of Neighborhood Services & Comm. Dev.-ADDI <b>\$8,690</b>	Affordable Housing	Provide down payment assistance to low income home purchasers	Expand the supply of single family housing units for low income families	<b>Improve affordability of Decent Housing</b>	Improve the quality of owner housing	Assist first time homebuyers with down payments

**EMERGENCY SHELTER GRANT (ESG) PROGRAM PRIORITY NEEDS AND GOALS  
FY 2008-2009**

City of Chattanooga

Project Name	Priority Need	Goal	Strategy	HUD Objective/Outcome	HUD Specific Objective	HUD Performance Indicator
Chattanooga Community Kitchen (Operations) <b>\$15,000</b>	Homeless Services	Provide support services for homeless individuals and families	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of a Suitable Living Environment</b>	End Chronic Homelessness	Provide daily meals(10,000) and other services to homeless adults and children
Chattanooga Room In the Inn (Operations & Essential Services) <b>\$17,500</b>	Homeless Services	Provide support services for homeless women and children	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of a Suitable Living Environment</b>	End Chronic Homelessness	Provide daily meals and other services to homeless women and children
Interfaith Homeless Network <b>\$6,000</b>	Homeless Services	Provide support services for homeless individuals and families	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of a Suitable Living Environment</b>	End Chronic Homelessness	Provide funds for reimbursement of transportation services to STS
Partnership for Families, Children and Adults-Emergency Family Shelter (Operations) <b>\$22,284</b>	Homeless Services	Provide support services for homeless individuals and families	Leverage community resources to provide services for the homeless	<b>Improve availability and accessibility of a Suitable Living Environment</b>	Increase the number of individuals moving into permanent housing	Provide funds for shelter of women and children for 300 individuals
Partnership for Families, Children and Adults-Family Violence Shelter (Operations) <b>\$20,000</b>	Homeless Services	Provide support services for women and children	Provide support services for homeless individuals and families	<b>Improve availability and accessibility of a Suitable Living Environment</b>	Increase the number of individuals moving into permanent housing	Provide funds for shelter of women and children in crisis due to domestic violence

## 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 4 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 2006, the City of Chattanooga's population was estimated at 151,944, the largest of ten cities in the county (2006 estimate of the county's population was 312,905). Forty-eight percent of the county's population lives in the city.

The racial makeup of the city is 60 % white, 35.3% black, and, 4.6% other ethnic minorities. The Hispanic or Latino population makes up 2.8% 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 Fourth 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 2008-2009.

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

• CDBG	\$1,716,636
• HOME	\$1,073,368
• ADDI	\$ 8,690
• ESG	\$ 85,036
• Program Income	\$1,217,769
• Reallocations	\$ 32,231
<b>TOTAL</b>	<b>\$4,133,730</b>

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 FY 2008 Continuum of Care funding through the McKinney-Vento Act will receive \$1,061,656.00 to address homelessness for emergency shelter operations and projects, Shelter Plus Care rental assistance, and provide employment, health, permanent housing, and supportive services through nine program areas and agencies.

The United Way of Greater Chattanooga will distribute some \$152,765 in federal funding to supplement emergency food and shelter programs in Hamilton County.

The Chattanooga Housing Authority currently manages 3140 Housing Choice vouchers (Section 8) for low to very low income households and a waiting list of 3500. The Housing Authority currently provides housing to some 19,000 citizens. 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. In addition, using Low Income Housing Tax Credits, the Housing Authority will renovate and modernize 100 existing units of housing for its clients.

## **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 4 Action Plan Managing the Process response:

The City's lead office for developing the Consolidated Plan Process and the Action Plan is its Department of Neighborhood Services and Community Development. The Office of Community Development 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-four years. The office is responsible for a wide range of planning and community development activities and administration of the 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 2008-2009 Action Plan as part of the Consolidated Plan for years 2005-2010 began in September 2007. The process included a public workshop and technical assistance session on each of the three HUD funding programs; CDBG, HOME Investment Act, ADDI and Emergency Shelter grants. Public notices were posted on the City's website published in local newspapers, and 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, housing, health, youth development, and agency representatives engaged in the provision of various other types of 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, as vacancies occur, 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. All appointees to the Advisory Committee are approved by the City Council in an open public meeting.

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 various Boards of Directors, Advisory and Technical Committees within various agencies 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 4 Action Plan Citizen Participation response:

The City of Chattanooga's process in developing FY 2008-2009 Action Plan as part of the Consolidated Plan for years 2005-2010 began in September 2007.

The process included a public workshop and a technical assistance session. 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, housing, health, 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 of the planning and development of Year 4 Action Plan and for their input into the FY 2008-2009 proposed allocation of Entitlement funds. Local nonprofit organizations and agencies were notified via mail and through public notices and advertisements which were published in local newspapers, the City's website, the Department of Neighborhood Services and Community Development's bi-monthly newsletter, "Common Ground" which is mailed to every household in the city, and through a local on-line internet news service.

The Citizens Advisory Committee met in September 2007 for the orientation of newly appointed members and to review the projected Entitlement funding levels and schedule for the Allocation Process for FY 2008-2009.

Three public Workshops were conducted on June 11 & June 13 to review criteria and other requirements for participation in the use of CDBG, Home Investment Act, ADDI, and Emergency Shelter Grants funding and to review HUD's Performance Objectives and Outcome Activity reporting requirements for subrecipients and prospective future applicants.

On November 1, 2007, 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 6, 2007 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 Community Development office on December 14, 2007. A total of 51 applications were received from the city's nonprofit community and city departments for funding of proposed projects.

Members of the Community Development Citizens Advisory Committee made recommendations for funding projects that were submitted through the subrecipient network. The Review Teams met on January 15, 16, 17, 22, &

23, 2008 to review the proposed projects. The final recommendations were approved by the City's elected officials; the Mayor and City Council Members on March 4, 2008.

The public was given a 30-day comment period on the proposed projects and funding. (Between April 2 through May 4, 2008 to comment.) **No comments were received.**

## **Institutional Structure**

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

Program Year 4 Action Plan Institutional Structure response:

The Office of Community Development was incorporated into the City of Chattanooga's Department of Neighborhood Services and Community Development. Under this new structure, Community Development staff continues to work within the Department to acquaint city officials of HUD regulations and policies. The staff continues to identify areas for improvements, making enhancements to the development and implementation of various programs that benefit the low to moderate income citizens of the city.

## **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 4 Action Plan Monitoring response:

The City of Chattanooga receives three entitlement grants under the Consolidated Plan for which the Department of Neighborhood Services and 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 schedule 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 4 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 each 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 Department of Neighborhood Services and Community Development assumes lead based paint is present in 80% of the units, thus it is expected that approximately 150 units will be capsulated or abated.

A HUD sponsored Lead Safe Work Practices (LSWP) course was held in Dunlap, Tennessee on February 6, 2007. There were thirty-one attendees. Although the course was not offered in the immediate Chattanooga area (30 miles away) most of the attendees were construction workers who serve the Chattanooga area. The course was the eighth of such courses taught in this area. 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. The course does not certify workers to work on lead abatement projects (\$25,000 or more).

Another LSWP course is planned as part of the Department of Neighborhood Services and Community Development's annual Neighborhood Conference scheduled October 8-10, 2008.

To date, a total of three hundred fifty-five (355) individuals have been trained in the Chattanooga area since 2001.

The Department will continue to offer courses during Year 4 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 4 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 2008-2009:**

1. 28<sup>th</sup> DISTRICT CDC--\$214,000—HOME Investment Act funds will be used for the construction of six (6) housing structures in the Bushtown Community. **(Includes the 15% set aside of HOME Investment Act funds.)**
2. 28<sup>th</sup> DISTRICT CDC--\$150,000—HOME Investment Act funds will be used to fund homeowner rehabilitation for 7 low-income households located in the 28<sup>th</sup> District with assistance provided in the form of a 100% loan to homeowner.
3. CHATTANOOGA HOUSING AUTHORITY (CHA)--\$200,000—HOME Investment Funds will be used to provide second mortgages to qualifying low income households for home purchases at Mountain View at the Villages in Alton Park.
4. CHATTANOOGA NEIGHBORHOOD ENTERPRISE (CNE)--\$1,059,368—HOME Investment Act funds will be used to provide down payment assistance to 50 LMI families. **(Includes \$ 550,000 of Program Income)**
5. CHATTANOOGA NEIGHBORHOOD ENTERPRISE (CNE)--\$200,000—Funds will be used for home improvements and rehabilitation for 23 housing units. **(Includes \$ 67,769 of Program Income and \$32,231 in Reallocated Funds)**

6. DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT CODE ENFORCEMENT--\$50,000—to provide funding for the demolition of 9 residential structures in LMI census tracts.
7. DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT--\$8,690—ADDI funds will be used for down payment assistance for LMI households.
8. DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT--RENTAL REHABILITATION—\$50,000--Funds will be used to increase the number of affordable rental units available for LMI residents by providing a grant up to \$10,000 for 10 housing units.
9. FRONT PORCH ALLIANCE--\$50,000—Funding for small home repairs for 45 LMI elderly/disabled homeowners for the purchase of materials, supplies, contract services, and equipment.

HOME match requirements will be met through excess match carried over,

Non-HUD program income from affordable housing projects and other Non HUD leverage.

The Department of Neighborhood Services and Community Development commissioned the project “Housing Condition and Vacant Property Survey and Revitalization Strategies” to survey vacant and non-vacant properties in 18 neighborhoods. The data generated from the survey will be used to develop program strategies for preservation, stabilization, and redevelopment of existing housing stock. The neighborhoods surveyed are: Alton Park, Avondale, Bushtown, Cedar Hill, Churchville, Clifton Hills, East Chattanooga, Eastdale, East Lake, Glenwood, Highland Park, Hill City, Howard, M.L. King, Oak Grove, Orchard Knob, Piney Woods, and Ridgedale.

### **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 4 Action Plan Public Housing Strategy response:

The Consolidate Plan outlined the following activities that the City and the Public Housing Authority would cooperatively work to improve the residents' involvement and their participation in homeownership:

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.

In the FY 2008-2009 Action Plan, CDBG funding of \$200,000 is provided for second mortgages for qualifying low income individuals at Mountain View at the Villages in Alton Park.

The Chattanooga Housing Authority (CHA) will utilize the skills and training of some 23 YouthBuild participants to transform vacant public housing units at Emma Wheeler Homes into habitable apartments for residents. Other YouthBuild participants will continue to be involved in the construction of new housing units at the Hope VI site.

Since 2002, CHA has received a total of \$1.8 million in grant funding from HUD to operate the YouthBuild program and participants have built six homes, including four in the Alton Park community.

The Chattanooga Housing Authority with the assistance of some 50 participants from all segments of the community hosted a Workforce Housing Roundtable meeting. The purpose of the meeting was to raise awareness about the importance of workforce housing and to begin a community dialogue that ultimately will lead to tangible outcomes to provide safe, affordable and assessible housing for the those citizens below median income.

The Chattanooga Housing Authority is not considered “troubled” by HUD.

### **Barriers to Affordable Housing**

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

Program Year 4 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.

These objectives will be reached in various ways.

CNE will receive \$50,000 to carryout two pilot projects for foreclosure prevention. The projects will include the provision to finance the closing costs of a FHA Secured Loan not to exceed \$2500 to \$4000 per transaction. The second project will become a Rescue Fund to assist households to avoid foreclosures. CNE proposes to assist at least 50 families.

Chattanooga Housing Authority, the public housing provider will receive \$200,000 to provide up to \$50,000 to each household to assist low income citizens with down payment assistance to purchase affordable housing at the HOPE VI site.

To maintain affordable rental housing for low to moderate income citizens, during FY 2008-2009, \$50,000 will be used by various private landlords to renovate rental units that are safe, decent and affordable.

CDBG, HOME Investment Act and ADDI funds will be used through various nonprofit housing development organizations during FY 2008-2009 to provide down payment assistance to low to moderate income residents for affordable housing purchase assistance and homebuyer education courses.

The 28<sup>th</sup> District CDC will construct six new housing units that will be affordable and available for low to moderate income households to purchase at affordable pricing, making homeownership a reality.

### **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 4 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.

#### **ADDI**

The City of Chattanooga has been allocated \$8,690 for FY 2008-2009.

Grant allocations are based on the total number of low-income households residing in rental housing as determined by the most recent census data. Each state receives ADDI funds proportionate 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 sponsors the Housing Choice Vouchers (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 demographic 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 4 Action Plan Special Needs response:

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.--\$105,874—Family Housing and Learning Center.
3. CHATTANOOGA CHURCH MINISTRIES, INC.--\$94,827—To support the HELP II homeless employment and life skills program.
4. CHATTANOOGA CHURCH MINISTRIES, INC.-COMMUNITY KITCHEN—**ESG**--\$15,000—To fund a portion of the operational costs for the shelter to cover utility costs associated with the serving of more 100,000 meals annually.
5. CHATTANOOGA HOMELESS COALITION --\$34,000—**CDBG** funds to provide the match for HUD funding for the management and operations of the HMIS system and Community Voice Mail.
6. CHATTANOOGA HOMELESS COALITION--\$25,000—**CDBG** funds for the planning and coordination and application process for the annual Continuum of Care grant applications.
7. CHATTANOOGA HOMELESS COALITION--\$106,033—To support the Homeless Management Information System.
8. CHATTANOOGA HOMELESS COALITION--\$35,952—To support the Community Voice Mail System.
9. CHATTANOOGA ROOM IN THE INN--\$17,500—**CDBG** funds to provide transportation assistance for homeless women to secure job/employment opportunities.
10. CHATTANOOGA ROOM IN THE INN--\$13,483.36—**ESG** funds for the operational costs for the shelter that will include utilities, insurance and fire alarm system expenses.
11. CITY OF CHATTANOOGA-SHELTER PLUS CARE--\$179,748—To provide tenant based rental assistance for 25 homeless mentally ill, homeless dually diagnosed and homeless with AIDS and AIDS related conditions.
12. DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT--\$4,252--**ESG** funds for administration of the ESG grant.

13. FORTWOOD CENTER, INC.--\$138,649—Transitional housing for homeless, SPMI adults who are specifically homeless due to living on the streets or in a temporary shelter.
14. INTERFAITH HOMELESS NETWORK--\$6,000—**ESG**—Funds to be used to reimburse STS for transportation services and to defray costs of insurance, maintenance, gasoline and mileage costs for the operations of the IHN van used for case management and other services to clients.
15. PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS--\$29,376—Transitional housing for women and children in domestic violence situations with casemanagement and supportive services and mainstream referrals for transition into permanent housing.
16. PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS--\$22,284—**ESG** funding to provide shelter of last resort for families, single women and children who are in crisis because of homelessness for 300 homeless individuals. Funds are used to purchase bed days from the Salvation Army.
17. PARTNERSHIP FOR FAMILIES, CHILDREN AND ADULTS--\$20,000—**ESG** funding to provide for operational services of the Family Violence Shelter to victims of family violence and those who are in immediate danger of physical abuse.
18. SOUTHEAST TENNESSEE HUMAN RESOURCE AGENCY--\$29,300—**CDBG** funding to provide for transportation services to low to moderate income individuals not eligible for financial support to access medical and other social services.
19. THE COUNCIL FOR ALCOHOL & DRUG ABUSE SERVICES, INC. --\$211,254—To support the Family Way program which is a transitional living program for newly sober, homeless women and their children.
20. THE COUNCIL FOR ALCOHOL & DRUG ABUSE SERVICES, INC.--\$41,637—Steady Steps/Oasis Extended Care Transitional Living Program is a 19 bed facility for homeless men & women in alcohol and drug abuse issues.
21. THE COUNCIL FOR ALCOHOL & DRUG ABUSE SERVICES, INC.--\$27,433—Samaritan House is an 8-bed facility providing transitional housing for chronically homeless men with alcohol and drug abuse issues.

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

## HOMELESSNESS

The City of Chattanooga during FY 2008-2009 Year 4 Action Plan will focus some of its funding for housing to include development of affordable and decent rental housing that can become available for Housing Choice Voucher (Section 8) 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.

*\*In the revised "Blueprint to End Homelessness in the Chattanooga Region", the number of permanent housing changed from 140 per year to 200 per year.*

### **See Attachment, "Blueprint to End Homelessness in the Chattanooga Region"**

The Partnership for Families, Children and Adults will use a total of \$42,284 in FY 2008-2009 funds to purchase bed nights from the Salvation Army for families and individuals and to provide services to women and children that are in domestic violence situations to provide safe and decent temporary housing while receiving supportive services and other referral services to move to a point of self-sufficiency and permanent housing arrangements.

## CHRONIC HOMELESSNESS

The city purchased 9 acres of land located adjacent to the Chattanooga Community Kitchen in 2006. This property will become the site of a future Homeless Services Complex to be designed to combine and coordinate homeless services that are currently scattered throughout the community in what is expected to be a more centralized location that is assessable by public transportation, in close proximity to medical services, and adjacent to job search/counseling and training centers.

Beginning in July of 2007, the Mayor and City Council assembled representatives from throughout the community to review and update the written plan, "Blueprint to End Chronic Homeless in the Chattanooga Region in Ten Years", which was originally developed in 2004.

The revised "Blueprint to End Homelessness in the Chattanooga Region" was completed in February 2008. This revision recognized that at least 4,094 different people experienced homelessness in the Chattanooga region at sometime during 2006. Homeless children comprised approximately one-fourth of this total number.

The committee that was formed to update the Blueprint, also established a new mechanism to manage the effective implementation of the recommendations in the Blueprint.

The Homeless Blueprint Oversight Committee (HBOC) will insure the implementation of “The Blueprint”, promote consistent public awareness of homelessness and progress toward solutions. HBOC will also ensure that data and research guide, support and justify all planning efforts and policy initiatives.

The City of Chattanooga in collaboration with the Chattanooga Homeless Coalition and other organizations during Action Plan Year 4, will be engaged in the planning and development of the 9 acre site to convert it into the Chattanooga Community Resource Center (CCRC) which will be a “one-stop” referral and service center for the chronically homeless and homeless individuals and families. The City is working with the American Institute of Architects (AIA) to design the site utilizing the existing structures and layout along with newly constructed buildings at this former site known as the Farmer’s Market.

Two organizations have committed to locate its operations at the site with construction to start by fall, 2008. The Interfaith Network and Southeast Tennessee Human Resource Agency will provide services that are vital in confronting issues around homelessness.

The strategies being planned in combination with the development of the CCRC also include some \$644,000 in HOME Investment Act funds that is programmed for the development of supportive permanent housing units that will serve the chronically homeless individuals and families. Private and public partnerships with developers, local housing providers and state housing programs are being formed to address the development of the housing units, either through new construction, renovation or by use of rental subsidies.

HomeAgain is a project between the City of Chattanooga and the Chattanooga Housing Authority to create permanent housing opportunities for the chronically homeless. The construction of permanent housing under this initiative will start by summer 2008.

The City provides assistance to the Community Kitchen in defraying a portion of its operational costs (electric and gas utility) to continue to operate the HELP II Program that has moved 140 adults that were chronically homeless into job training and placement activities that has led 85% of the participants into permanent housing arrangements.

The Community Kitchen provided over 121,610 meals during 2007 fiscal year to homeless individuals.

FY 2007-2008 Action Plan funds of \$250,000 were obligated to the Community Kitchen to renovate its current facilities to accommodate the addition of a Day Center, Respite Care Center, and a 24 Hour Shelter.

The Day Center is to be designed as an area where the homeless will be engaged with a variety of services providers to pursue job training and permanent housing.

The Respite Care Center will be a medical care facility where the homeless individual can recuperate after being released from local health care facilities.

The 24 Hour Shelter will serve homeless individuals that are employed on second and third shifts by providing transitional shelter while they accumulate funds for housing.

The “Art of Change” is a program that is sponsored through the Mayor’s office specifically designed to address panhandling issues which has become a chronic problem in the community. Special “parking meters” have been strategically located throughout some of the key problem areas which allow individuals to deposit change and provides a better and safer way to help persons in need. The meters can be sponsored by companies, organizations or individuals as a way of showing support. Funds that are collected from the sponsorships and individual donations are awarded to homeless service agencies and providers through small grants. Currently there are some 20 meters located throughout downtown and the north shore area.

The City provides funding to various community based housing development organizations to increase their capacity to develop affordable housing programs.

Funding in collaboration with the Chattanooga Homeless Coalition for the operations of the Homeless Management Information System (HMIS) and Community Voice Mail System (\$34,000) provides an accurate tracking mechanism as well as a means through which community resources can be best utilized in the 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 among local agencies are being increased and will improve the efficiency of service delivery among the targeted community.

In Year 4 Action Plan, the City continues its relationship of establishing various partnerships with faith-based organizations to enhance the rental/ownership rehabilitation programs targeted within neighborhood revitalization areas that will serve to have a positive impact on the declining numbers of chronic homelessness.

The lack of available funding that allow for the increase in the stock of safe, affordable and decent rental units is a major obstacle. The decreasing level of funding made available in both the public and private sectors is negatively impacting the effect and the number of housing units that are affordable for low to moderate income citizens.

## HOMELESS PREVENTION

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

The City will continue to support shelters that operate in the community to provide temporary and transitional housing to individuals, children and families that are impacted with homelessness and those that are in imminent danger of becoming homeless. These organizations are: Chattanooga Church Ministries-Community Kitchen, Room In the Inn, Interfaith Homeless Network, the Family Violence Center and Family Emergency Shelter operated through agreements with the Salvation Army and the Partnership for Families, Children & Adults.

## DISCHARGE COORDINATION POLICY

The police and sheriff departments, hospitals and other medical treatment facilities in surrounding counties have become more diligent in securing housing for persons in their care, prior to discharge. Traditionally, these organizations have not focused on discharge policies that do not contribute to homelessness. The development of the Blueprint to End Chronic Homelessness increased the awareness level of citizens and organizations on the problems faced by individuals faced with homelessness and have begun to work more cooperatively with agencies to coordinate housing referrals prior to release from the various institutions.

The Chattanooga Homeless Coalition is one of the lead organizations on a local and regional level to develop strategies for discharge planning among the various entities.

The updated “Blue Print to End Homelessness in the Chattanooga Region” still outlines as one of its strategies to prevent homelessness is “to collaboratively develop a reentry program to reduce the rate of homelessness upon returning ex-felons into the community and to create viable opportunities for future success”.

Working closely with the Department of Corrections and the Board of Probation and Parole, the Chattanooga Prisoners Reentry Consortium (CPRC) will establish a local collaboration to improve access to community public services for former offenders which will reduce the failures during the period following discharge. The services of the CPRC are available to Tennessee inmates discharged to Chattanooga and those sentenced to serve time.

Chattanooga Endeavors received FY 2007-2008 Action Plan funds of \$30,000 to develop a centralized data base to allow participating organizations and agencies to organize and manage offender caseloads and carryout the objectives of the CPRC.

The CPRC goal of developing the data base was to reduce the likelihood of homelessness and to improve access to community and public services. The \$30,000 was matched with a Bureau of Justice Assistance Grant of \$224,000. The overall goals of the CPRC is to (a) develop a Continuity of Care Model, (b) point of intervention is at sentencing, instead of at discharge, (c) to understand family structures that inhibit or accelerate change, and, (d) to coordinate the reentry process and the discharge of inmates into the community, with a team approach.

One of the major obstacles is the limited number of case workers to provide adequate assistance to organizations that provide services to the homeless. The amount of funding it requires for personnel costs out of many federal grants are so limited or, otherwise restricted, that case workers are not usually apart of the organization's budget and staffing patterns.

### **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 4 Action Plan ESG response:

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## **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 4 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.

The projects that will be funded in the FY 2008-2009 are:

#### PROJECT FUNDING RESOURCES

##### **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--\$499,895--funds to provide for the administrative activities of the Department of Neighborhood Services and Community Development and planning activities associated with the management and monitoring of HUD funded projects.
3. DEPARTMENT OF NEIGHBORHOOD SERVICES AND COMMUNITY DEVELOPMENT--\$4,252--funds for administration of the ESG grant. (Previously cited under Homeless Services)

##### **INFRASTRUCTURE IMPROVEMENTS**

4. DEPARTMENT OF PUBLIC WORKS- CITY OF CHATTANOOGA---\$663,441--funds will be used for the construction projects in eligible census tracts. Projects will consist of new sidewalks and street paving.
5. CITY OF CHATTANOOGA COMMUNITY DEVELOPMENT OFFICE--\$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. **(Includes \$600,000 in Program Income)**
6. ORANGE GROVE CENTER-\$100,000—funds will be used to renovate an existing building on the campus of this facility designed as a training center for disabled adults.

## **PUBLIC SERVICES**

7. CHATTANOOGA HOMELESS COALITION --\$34,000--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)
8. CHATTANOOGA NEIGHBORHOOD ENTERPRISES, INC. (CNE)--\$65,000--funds will be used to operate the Info-Line and provide housing counseling services, referrals, homelessness, landlord and tenants' rights, foreclosure preventions and workshops to low income residents.
9. CHATTANOOGA NEIGHBORHOOD ENTERPRISES, INC. (CNE)--\$50,000—funds will be used to provide two pilot projects for foreclosure prevention. The projects will include the provision to finance the closing costs of a FHA Secure Loan not to exceed \$2,500 to \$4,000 per transaction. The second project will become a Rescue Fund to help people to avoid foreclosures. Twenty households are expected to benefit from these projects.
10. SOUTHEAST TENNESSEE HUMAN RESOURCE AGENCY--\$29,300—funds will be used to provide transportation services to low to moderate income individual to access medical and other social services. The project will serve over 450 individuals.

The City of Chattanooga applied for three Brownfield grants from the Environmental Protection Agency (EPA) for FY 2008-2009. The grants will provide a locally based environmental protection approach to promote innovative ways to assess, clean up and redevelop brownfield sites. The grants are:

- A \$200,000 Assessment Grant to conduct a communitywide hazardous materials assessment in the eastern part of Chattanooga's urban core.
- A \$200,000 Cleanup Grant for an 8.2 acre site in the Alton Park community.
- A \$1 million Revolving Loan Fund Grant to establish a revolving loan fund for Brownfield cleanup and development.

Among the three grants, the City of Chattanooga was notified of its approval for each of the \$200,000 awards to conduct a community wide hazardous materials assessment and the cleanup of the 8.2 acre site. Activities should be underway by mid-September on both of these projects.

“Safe Routes Chattanooga” was awarded \$334,000 to fund infrastructure improvements that will include sidewalks, crosswalks, bike racks, and traffic controls around seven schools providing safer, more pedestrian and bike friendly means for young children getting to school. This project is in collaboration with several private foundations and Hamilton County.

## Antipoverty Strategy

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

Program Year 4 Action Plan Antipoverty Strategy response:

The goal of the City is to address issues relating to poverty through collaborations and financial assistance with outside organizations and agencies and through the City's programs.

In FY 2008-2009, all funded projects will address needs that are designed to be proactive and improve the quality of life for citizens that are economically depressed.

The City's Department of Neighborhood Services and Community Development maintains a working relationship with agencies supplying services to low income residents such as the Workforce Development Program, the Chattanooga Housing Authority, Chattanooga Homeless Coalition, and other local non-profit agencies with programs that benefit children and families.

Additionally, citizens have the opportunity to work through credit issues, and attend home purchase classes which teach budgeting and money management. Citizens that are very low, low and moderately low income and are first time home buyers are supported through the Home Purchase Assistance projects using local, state, and federal funds for down payment and closing costs to purchase homes. Through the Homeowner Housing Rehabilitation projects housing structures are appraised at an increased value following completion of the renovations.

The City also provides landlords zero to low interest loans to maintain affordable rental units for low income individuals and families. Rental units are maintained to provide decent, safe and affordable housing for low income elderly citizens.

Other program areas that are designed to combat poverty are:

1. YouthBuild in its fourth 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. Last year, CHA received \$700,000 to continue the project for another three year period.
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 twelve 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. In 2007, twelve (12) businesses were awarded the CRD for a total of \$12 million.
7. The Chattanooga Small Business Incubator and the Small Business Development Center, operated by the Small Business Administration, provides citizens in all economic and financial brackets, entrepreneurial education and opportunities.
8. To address issues in business financing and access to capital, the City uses general funds to provide technical 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, the City provided 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 4 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 4 Action Plan HOPWA response:

**THE CITY OF CHATTANOOGA DOES NOT RECEIVE HOPWA FUNDING.**

### **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 4 Specific HOPWA Objectives response:

### **Other Narrative**

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

### **Section 108**

The City of Chattanooga has submitted an amendment to HUD for a Section 108 Loan Guarantee application of \$10 million which was initially approved in 2005 for projects that included Infrastructure Improvements and Construction Projects, a Community Development Revolving Loan Fund, and a Brownfield Development Program.

The amendment changes the use of a portion of the funds to include financial assistance in the form of a loan to the Electric Power Board's "Fiber to the Home" (FTTH) project designated for homes, commercial, industrial and retail businesses, and health and educational institutions located in the low to moderate income neighborhoods in Census Tracts 19, 20 and 23. The FTTH will allow the Electric Power Board (EPB) to wire each house and other structures to provide telephone, data/internet and cable television service to these neighborhoods. The FTTH will increase efficiency of services through off-site meter reading and monitoring electrical usage and set demand time pricing which will further reduce the customer electric costs. In addition, the quality of data/internet service will be substantially increased.

There will also be a Brownfield and Community Development Loan Fund available to both nonprofit and for profit entities. The Loans must meet at least one of the national objectives of eliminating slums and blight, providing housing opportunities for at least 51% low and moderate income persons or creating job opportunities for at least 51% low and moderate income persons. The funds can

be used for housing rehabilitation, loans to small businesses, for public facilities improvements, and to assist in the cost of cleanup and redevelopment of environmentally contaminated properties for the creation of new business ventures and creation of jobs.

Additionally, a portion of the funds will be used to pay off a Fannie Mae loan used for support of the infrastructure for the HOPE VI project.

The proposed use of the funds is as follows:

Pay Off Fannie Mae Loan	\$2,252,555
Revolving Loan Fund	2,300,000
Electric Power Board FTH Project	<u>5,447,445</u>
Total	\$10,000,000

The City must pledge its future CDBG funds and other collateral as security for the Section 108 Loan Guarantee. The loan can be repaid over a twenty year period. The City proposes to use future CDBG allocations to repay the \$2,252,555 related to the Fannie Mae pay off and the \$2,300,000 for the revolving loan. The total debt of \$4,552,555 will be amortized and paid off over a twenty year period. It is estimated that the annual payment from CDBG funds will be approximately \$400,000.

The \$5,447,445 for the Electric Power Board's "Fiber to Home" project will be structured as a loan to EPB with terms and payments to cover the repayment of this debt over a maximum of fifteen years.

### **Affirmatively Furthering Fair Housing**

the City of Chattanooga's Office of Multicultural Affairs operate as the City's main artery for developing programs to address various issues within the community that impact minority residents that is inclusive of the Latino community which is approximately 2.8% of the population and growing, according to the 2006 Census Community Survey. Within this Office, the Mayor has assigned as one of its responsibilities as Fair Housing issues. The Office of Multicultural Affairs sponsors various activities that includes an annual Fair Housing Observance Luncheon, the City's Human Rights Committee, and conducts various informational workshops and seminars for the city's business community revolving around diversity and equal treatment among the citizenry.

The Third Annual Fair Housing Month luncheon was observed on April 24, 2008 to encourage understanding and goodwill, to promote justice, and to eliminate discriminatory practices between and among citizens of the community because of race, religion, age, gender, national origin, disability or ethnicity.

The Office of Multicultural Affairs serves as the mediator for the Chattanooga Housing Authority in landlord-tenant disputes. Mediation Services are offered to

Housing Choice Voucher (Section 8) landlords and tenants to resolve disputes outside of court.

The Office of Multi-Affairs has updated the booklet “Rent Wise” which will be distributed upon request to tenants and landlords. Rent Wise spells out in easy to understand terms the rights of tenants and landlords governing their responsibilities in the tenant-landlord relationships.

The Office of Multi-Affairs is working to become a HUD certified FHAP.

Secondly, the City continues its support to provide housing counseling services, referrals, landlord and tenant’s rights, foreclosure preventions and workshops to low income residents.

The Chattanooga Neighborhood Enterprise, Inc. (CNE) will maintain the 24 hour Housing Info-Line during FY 2008-2009 that will allow citizens to have readily available answers to pertinent questions concerning their Fair Housing rights and to voice various complaints regarding housing issues.

In FY 2008-2009, \$65,000 in CDBG funding will be provided to continue fair housing activities and operations of the Housing Info-line.