

**A periodic
publication to
build understanding
and spur discussion
on housing &
neighborhood
development**



In this edition

You'll learn more about how the concept of "affordable housing" is defined and used around the country. We also offer ways for you to get involved in the affordable housing discussion.

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WELCOME TO “HOUSING AT A GLANCE”

For over 32 years, Chattanooga Neighborhood Enterprise has worked to strengthen neighborhoods and build financial prosperity for Chattanooga residents. Our strategies have included building new affordable and market rate housing, creating homeownership through our down payment and mortgage loan products, offering financial education, and strengthening resident leadership in the neighborhoods where we work.

In doing this work, we often hear community members express confusion surrounding issues that impact their neighborhoods. We have noticed the need for a central source of information for affordable housing and neighborhood development that can address complex questions, present new ideas and strategies, and give residents easy access to this information. In response, CNE created a new policy program and expanded our community engagement work to promote meaningful civic engagement around these issues.

In order to begin to build knowledge and understanding of urban policy and planning issues – issues that affect neighborhoods and Chattanooga residents – CNE will be writing and releasing a periodic “Housing at a Glance” report that tackles issues relevant to housing and our neighborhoods. Each edition is intended to serve as a source of information and conversation guide that will aid residents, elected officials, businesses and institutions in understanding the complex issues involved in housing and neighborhood development.

We believe that increasing understanding of how these systems work is the first step to better and more diverse community participation in addressing these issues.



We believe that increasing understanding of how these systems work is the first step to better and more diverse community participation in addressing these issues.



Our inaugural edition of “Housing at a Glance” focuses on answering the question that always receives different answers: What is affordable housing? We hope that our “At a Glance” series starts meaningful conversations and begins to build a collective understanding of complex issues and helps residents, elected officials, businesses and institutions become better advocates for good public policy.

Sincerely,



Martina Guilfoil
CEO



Alexa LeBoeuf
Policy Advocate

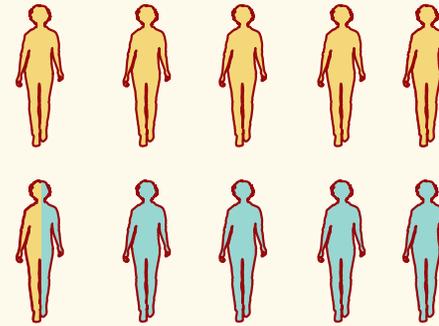
FACTS & FIGURES

Understanding the numbers on housing affordability at local, state and national levels.



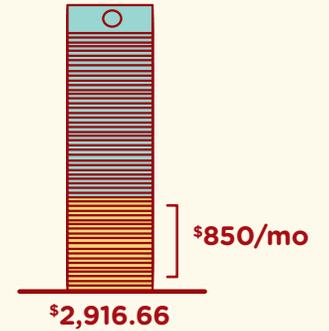
Local

A recent report by the Bleakly Advisory Group “determined that potential demand exists for up to 1,200 new apartments in Hamilton County, with 55% of that potential for renters with annual incomes less than \$35,000 (approximately 80% AMI). These households could afford monthly rents at \$850/month and below, while paying a third of their income or less on housing.”



55% of potential renters living in Hamilton County make less than \$35,000 a year, or \$2,916.66 a month

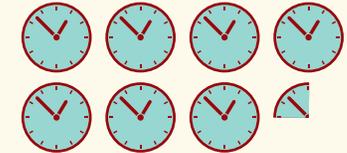
Monthly Income



These renters could afford rents up to \$850 while paying a third of their income on housing.

State

To afford a two-bedroom apartment without spending over 30% of their income, single parents making the minimum wage would have to work 87 hours / week OR 2.2 minimum wage jobs.

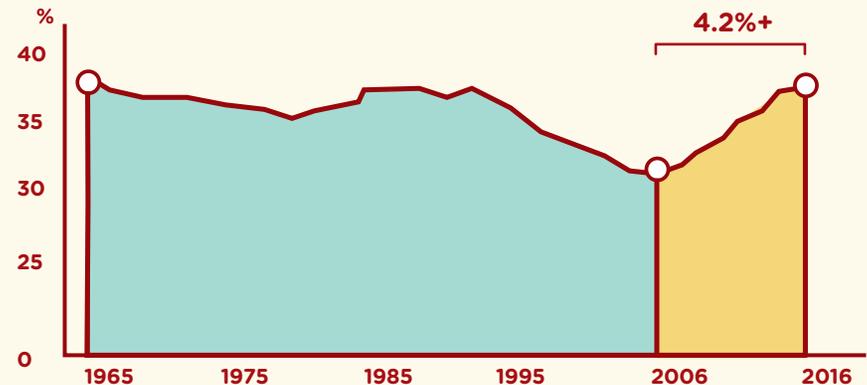


With the minimum wage in Tennessee being \$7.25 per hour, 87 hours of work at this rate would be required to afford a two-bedroom apartment without being cost burdened.

National

Nationally, the percent of households who rent increased 4.2 percentage points from 2006 to 2016, representing an increase of 7.3 million renting households.

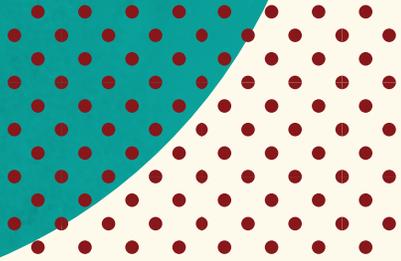
Nationwide percentage of households who rent since 1965





IN THE KNOW

Exploring housing topics being discussed in our city.



Homeless Community Action Plan

The Chattanooga Interagency Council on Homelessness's Community Action Plan is working on several action items in its first year of implementations. Several of these items include gathering information from the community to better compile an understanding of community resources and a list of landlords willing to rent to people who are a part of various service programs.

To learn more or to feature your rental properties, contact Sam Wolfe (SamWolfe@chattanooga.gov).

Sign up for additional updates at:
www.connect.chattanooga.gov/cich/

Accessory Dwelling Units

As part of its efforts to support affordable housing, the City of Chattanooga is developing an ordinance that could allow for accessory dwelling units (ADUs) to be built within certain locations around the city. ADUs are small, secondary dwellings occupying the same lot as an existing single-family house. One can be constructed as a detached, stand-alone building or above a detached garage.

Historically, ADUs have been built throughout the city dating back to the early 1900s, and were formerly known as carriage houses or in-law suites. When the zoning ordinance was adopted in 1961, it prohibited ADUs.

Currently, ADUs are only permitted in the downtown Form Based Code area that was adopted by city council in 2016. There has been a request from the development and homeowner communities to allow ADUs in other areas of the city due to the increase in urban infill development, change in housing type and need for more affordable housing options.

For more information and to stay up-to-date on the project, visit <https://chcrpa.org/index.php/project/accessory-dwelling-unit-adu-ordinance/>

Community Choices Survey Series

During the first round of public input for the Area 3 Plan, the community identified their top six issues. The purpose of the Community Choices Survey Series is to gather additional input from the community on those issues.

Responses to this survey will be used by staff — in addition to data analysis and planning principles — to develop recommendations for a vision, goals and policies that will serve as a guide for future development in Area 3.

To learn more and participate in the Community Choices Survey, please visit www.chcrpa.org.



DANIKA DORRIS



CNE PROFILE

with Ethan Pope,
Homeownership Coach

Ethan Pope starts every counseling session with one question: “What is holding you back?”

Ethan has been advising individuals interested in buying homes, improving their credit and saving money for over twenty years. His belief in people drives his work, and he is inspired when seeing people work to reach and maintain their financial goals. In one case, Ethan counseled an individual for over four years, helping that person move from a non-existent credit score to one over 700.

Ethan centers his work on giving people the tools and resources they need to succeed, and supports them through required accountability rather than doing the work for them. Everyday, Ethan stops, listens and asks questions to personalize his work to each client.

Ethan has been awarded “Instructor Extraordinaire” from NeighborWorks America and the “All-Around Top State Homeownership Advisor” from the Tennessee Housing Development Agency (THDA).

Set up your own appointment to meet with Ethan at CNE! He can’t wait to help you reach your goals.

Contact: epope@cneinc.org

WHAT IS AFFORDABLE HOUSING?

You've been there before: wondering whether or not you'll be able to find a decent apartment or house that you can afford. Will you also have enough money leftover to cover food, gas, medical bills and other things you need? The answer to these questions generally depends upon the income of the family. The less money a family earns, the fewer affordable options available. As family income rises, housing options increase. So what happens if an affordable home is hard or impossible to find?

You aren't the only one asking these questions. Did you know that cities around the country, including Chattanooga, are facing a lack of affordable housing in their communities? Locally, resident and city leaders are exploring ways to create more affordable housing, but what exactly does "affordable housing" mean? Affordable to whom?

Let's start by taking a look at the word "affordable." Affordable is different for everyone. When it comes to renting or buying a home, the U.S. government considers affordability through the 30% rule. This rule states that a person renting or buying a home can afford to spend one-third of their income each month on rent or a mortgage payment. If you are spending more than this amount, you are considered "cost burdened" and may be unable to afford other costs of living, such as gas or food.



This 30% rule stays the same no matter how much money you earn each year. One-third of \$150,000 is a lot more than one-third of \$25,000. And of course, there are a lot more housing options available to someone earning \$150,000 than there are for someone earning \$25,000. This is why many argue that the 30% rule isn't a very good way to measure housing affordability. Nevertheless, this is what the government uses when determining what is "affordable" for affordable housing programs.

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**Locally, resident and city leaders are exploring ways to create more affordable housing, but what exactly does "affordable housing" mean? Affordable to whom?**  
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HELPFUL DEFINITIONS

Cost Burdened

A family or household that spends more than 30% of its income on housing. A severely cost burdened family or household spends more than 50% of its income on housing. Nationally, about half of renters spend one-third or more of their income on rent, and one out of every four of renters spends more than half their income on rent. In Chattanooga, 35% of households are cost burdened.

Area Median Income (AMI)

One-half of incomes in an area are above this amount and one-half are below adjusted by family size. The government updates the AMI every year. The AMI is used to determine who qualifies for certain housing assistance programs, such as public housing, Housing Choice Vouchers and PILOT units.

Subsidy

A sum of money or tax benefit given by the government to companies, organizations or individuals to keep the price of a product or service they're selling lower than it normally would be.

Household Versus Family

A family, by the government's definition, is two or more people living together and related by birth, marriage or adoption. That's different from a household, which is just anybody living together or a person living alone. All families are households, but not vice versa. The average family size is over three, so by convention, the government equates the median family income for an area with a four-person family for the purposes of calculating income limits.

~~~~~

**A severely cost  
burdened  
family  
or household  
spends more  
than 50% of its  
income on  
housing.**

~~~~~



HOW IS HOUSEHOLD INCOME CALCULATED?

When the government says “affordable housing” for programs and development, it means affordable for families in the middle or at the lower end of the income scale who will be expected to pay 30% of their income on their housing. The government calculates income limits for affordable housing programs using Area Median Income (AMI).

What does AMI stand for?

The AMI is what a family right in the middle of the income distribution earns. A family income is a combined income of everyone in the family. A family, by the government’s definition, is two or more people living together and related by birth, marriage or adoption. That’s different from a household, which is just anybody living together or a person living alone.

| AREA MEDIAN INCOME PER AREA (2018) | |
|------------------------------------|-----------------|
| UNITED STATES | \$71,900 |
| STATE OF TENNESSEE | \$60,900 |
| CHATTANOOGA | \$61,700 |

The government divides the country into almost 1,000 different areas and calculates a separate AMI for each because housing costs and incomes are different place to place.

Different affordable housing programs target different income categories. These income categories are:

Extremely Low Income

Income between 0 and 30% of AMI adjusted for family size .

Very Low Income

Income that is between 30% and 50% of the AMI adjusted for family size.

Low Income

Income that is between 51% and 80% of the AMI adjusted for family size.

Moderate Income

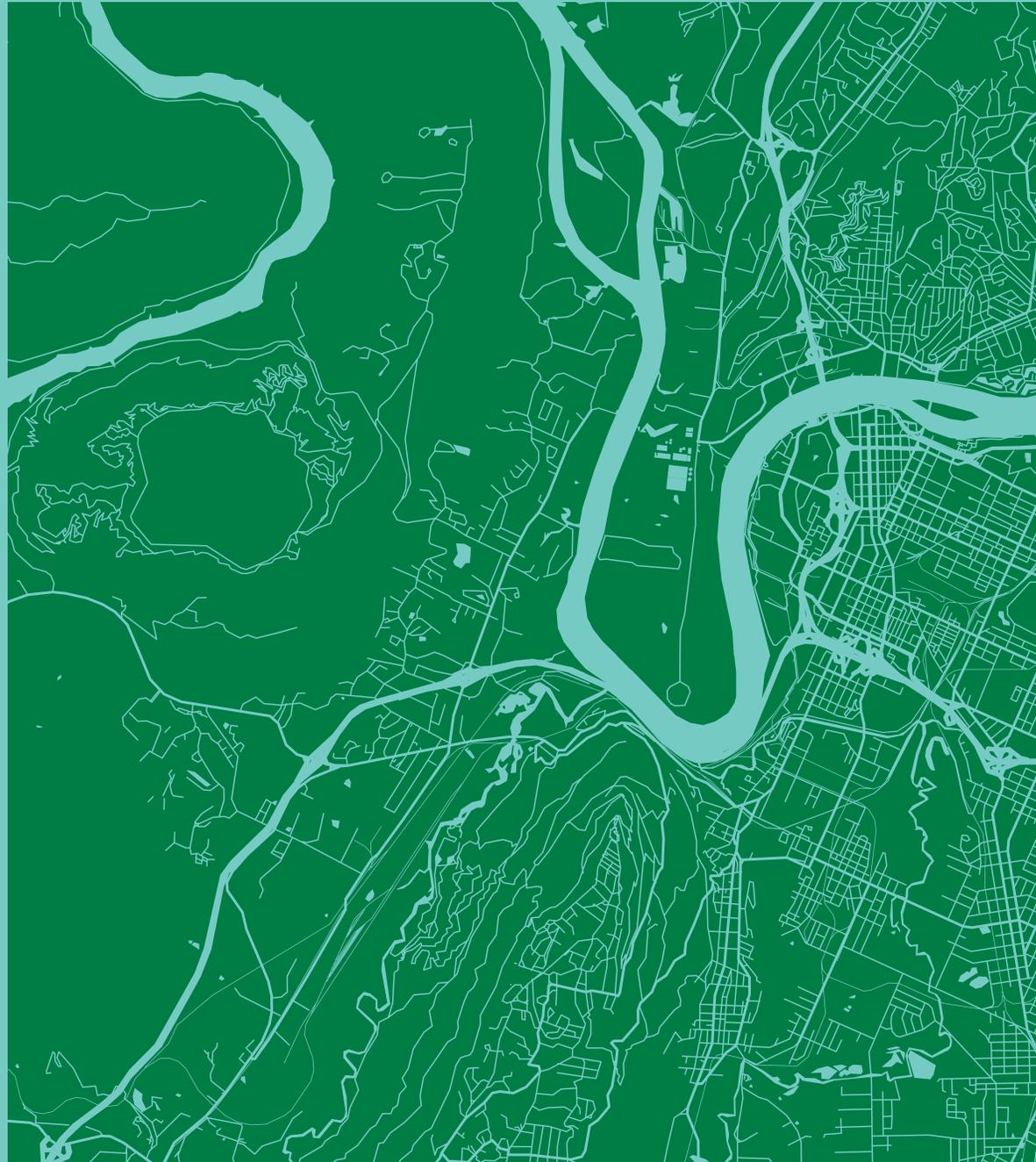
Income that is between 80% to 120% of AMI adjusted for family size.

Middle Income

Income that is between 120% to 250% of AMI adjusted for family size.

High Income

Income that is between 250% of AMI and up.



The charts below show the income levels for Chattanooga families based on family size and the amount of rent that would be considered affordable based on their income.

AMI Income

| | 1-PERSON FAMILY | MONTHLY LIMIT |
|-----------|-----------------|---------------|
| 30% | \$12,950 | \$324 |
| 50% | \$21,600 | \$540 |
| 60% | \$25,920 | \$648 |
| 80% | \$34,550 | \$864 |

| | 4-PERSON FAMILY | MONTHLY LIMIT |
|-----------|-----------------|---------------|
| 30% | \$18,500 | \$463 |
| 50% | \$30,850 | \$771 |
| 60% | \$37,020 | \$926 |
| 80% | \$49,350 | \$1,234 |

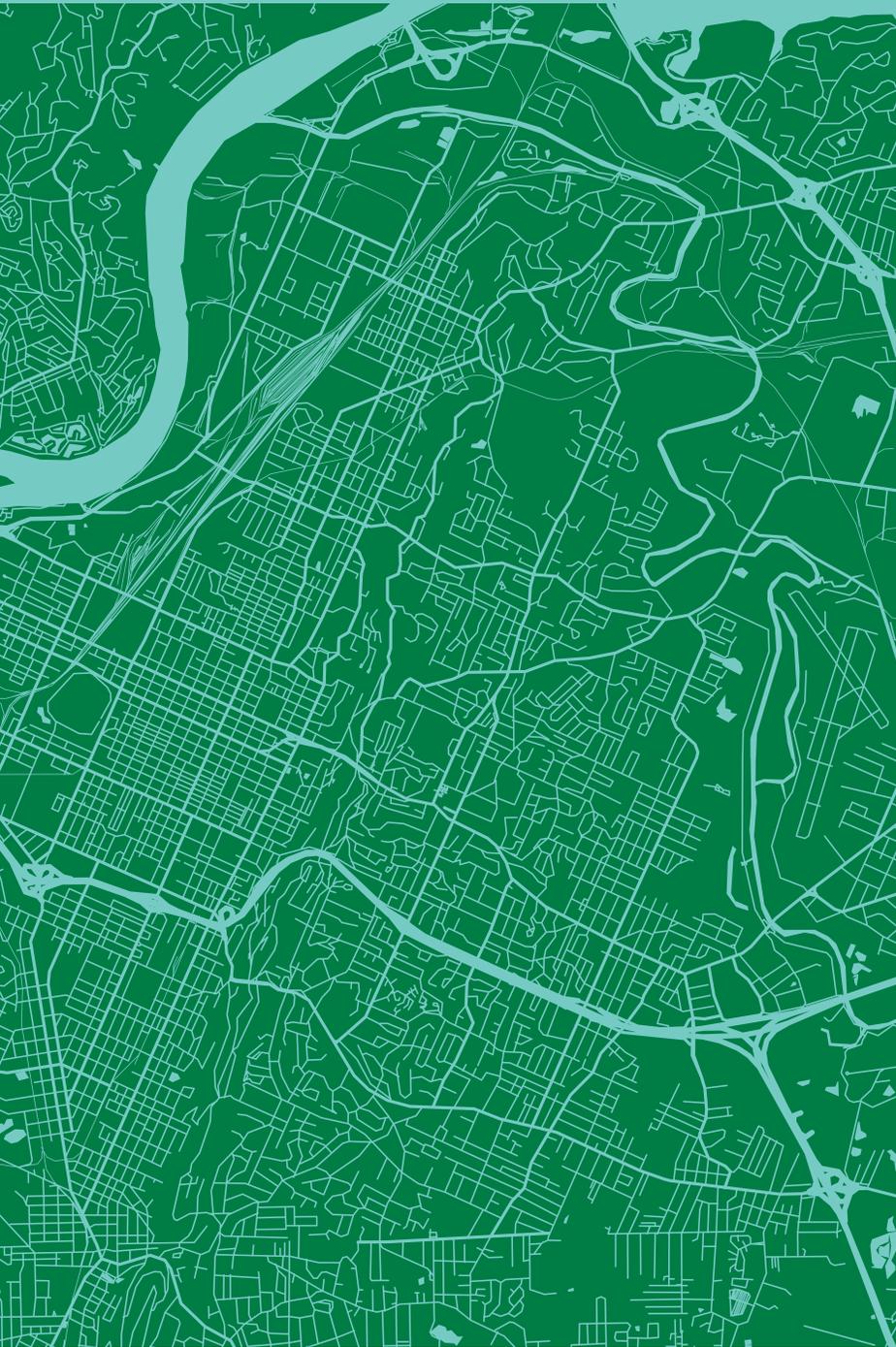
Entities that receive federal subsidies must account for utility costs using government prescribed allowances. For units that do not receive subsidies, how could our community approach affordable housing while accounting for utilities?

| | 2-PERSON FAMILY | MONTHLY LIMIT |
|--|-----------------|---------------|
| | \$14,800 | \$370 |
| | \$24,700 | \$618 |
| | \$29,640 | \$741 |
| | \$39,500 | \$988 |

| | 3-PERSON FAMILY | MONTHLY LIMIT |
|--|-----------------|---------------|
| | \$16,650 | \$416 |
| | \$27,800 | \$695 |
| | \$33,360 | \$834 |
| | \$44,450 | \$1,111 |

| | 5-PERSON FAMILY | MONTHLY LIMIT |
|--|-----------------|---------------|
| | \$20,000 | \$500 |
| | \$33,350 | \$834 |
| | \$40,020 | \$1,001 |
| | \$53,300 | \$1,333 |

| | 6-PERSON FAMILY | MONTHLY LIMIT |
|--|-----------------|---------------|
| | \$21,500 | \$538 |
| | \$35,800 | \$895 |
| | \$42,960 | \$1,074 |
| | \$57,250 | \$1,431 |



In March 2019, the average rents in Chattanooga are as follows:

| UNIT SIZE | MONTHLY RENT | INCOME NEEDED TO NOT BE COST BURDENED |
|-----------|----------------|---------------------------------------|
| STUDIO | \$856 | \$34,240 |
| 1 BEDROOM | \$1,067 | \$42,680 |
| 2 BEDROOM | \$1,395 | \$55,800 |
| 3 BEDROOM | \$1,564 | \$62,560 |



Many of us around the city have trouble finding an apartment or house that is “affordable” under the 30% rule, in good condition and fits our family’s needs. Affordable housing programs are designed to increase the number of affordable units.

AFFORDABLE HOUSING PROGRAMS



RENTAL ASSISTANCE PROGRAMS

Public Housing

Owned and operated by Chattanooga Housing Authority. Affordable apartments for very low income families, the elderly and persons with disabilities.



LOW INCOME TENANTS



PUBLIC HOUSING OPERATED BY C.H.A.



Cummings Place Apartments managed by Chattanooga Housing Authority

Housing Choice Voucher Program

(Formerly known as Section 8)

Allows low income households to choose and rent privately-owned rental units and use the voucher to pay for all or part of the rent. The vouchers are managed by Chattanooga Housing Authority.



GOVERNMENT



LOW INCOME TENANTS



PRIVATE LANDLORD



Privately Owned Subsidized Housing

Housing that is privately owned by a for-profit or nonprofit that has received money from the city, state or federal government to help build or buy existing housing in return for reduced rents for low and moderate income tenants.



GOVERNMENT



FOR-PROFIT OR NON-PROFIT LANDLORD



LOW INCOME TENANTS

AFFORDABLE DEVELOPMENT PROGRAMS

Home Investment Partnership Act Program (HOME)

A federal program which provides grants to the City of Chattanooga for affordable housing activities. The City of Chattanooga makes HOME funds available for HOME eligible activities, which assist the City in addressing its housing needs. Funded programming includes homeownership and rehabilitation and/or new construction of rental housing projects. The City's HOME projects are carried out primarily through partnerships with local nonprofit housing organizations, homeless service providers and other assistance providers.



LIHTC

Gives tax breaks to developers who agree to set aside parts of their developments for lower income families. States receive an annual dollar value of credits, which they then allocate to qualifying projects based on priorities established in a state allocation plan. The Tennessee Housing Development Agency (THDA) is the allocating agency in Tennessee.



Housing PILOT

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



To apply for PILOT, developers must make at least half of their units affordable to renters who earn less than 80% of the area's median income. For a single-person household, that equates to a \$34,550 annual salary, according to the U.S. Department of Housing and Urban Development figures. The 80% AMI requirement caps rent at \$864 for units leased at that income threshold. Developers who make at least half of the units affordable to the 60% AMI level can earn longer tax freeze periods.





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"When people think
Affordability
they think the projects"

Big Smiles
Cajun Filet Sa
Comph

DORRIS

PORTER

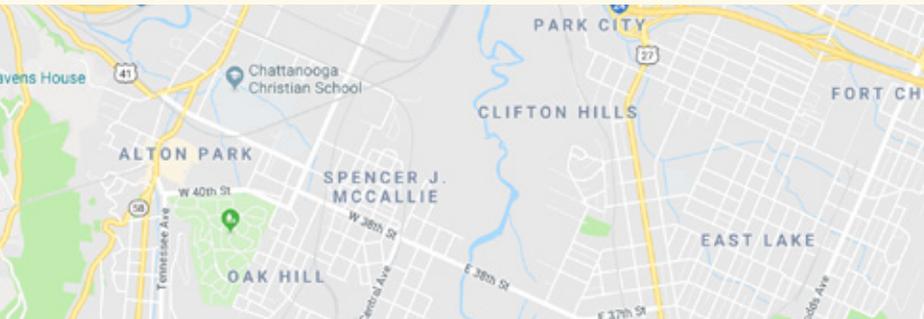
DANIKA DORRIS

LOCAL HAPPENINGS

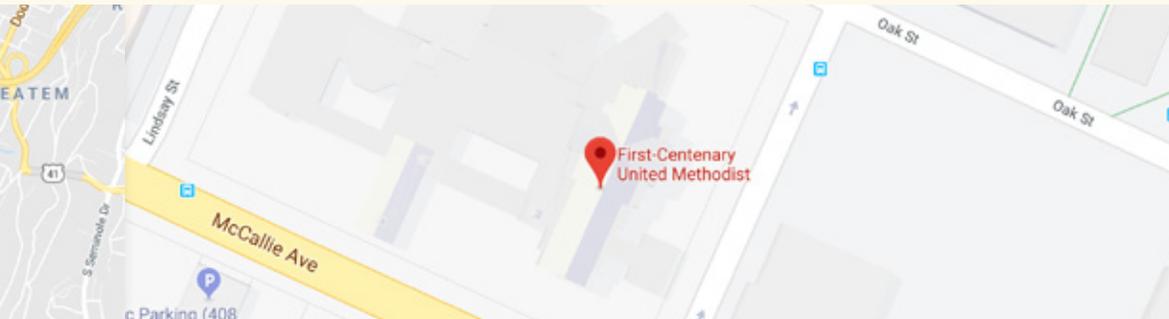
This section is to keep readers updated on meetings, local collaboration and initiatives focused on housing and neighborhood development issues.

Please connect with local initiatives to determine changes in time and/or location of meetings.





SIEMPRE JUNTOS



CHATTANOOGA IN ACTION FOR LOVE, EQUALITY AND BENEVOLENCE



Siempre Juntos is an opportunity for residents and community members interested in collaborating neighborhood efforts across Alton Park, Clifton Hills and East Lake.

The group just recently launched and meets the second Monday of every month from 6:30 to 8 PM at various neighborhood locations.

For more information please visit www.togethercha.org.



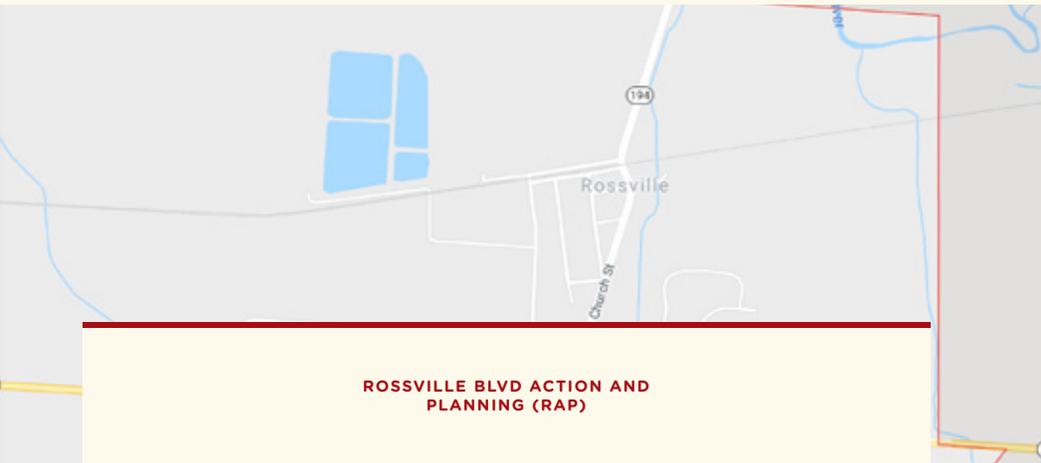
CALEB is a member-based organization whose purpose is to bring together an institutional coalition of faith-based, labor and other community organizations in order for their constituents to gain a powerful voice in public affairs and issues in the wider community.

CALEB has recently taken on the issue of bail reform and will convene a gathering of its members this year to determine its next issues.

CALEB meets every second Thursday at 6:30 PM at First Centenary United Methodist Church (433 Oak St, Chattanooga, TN 37403).

For more information, please visit www.calebcha.org.

LOCAL HAPPENINGS



ROSSVILLE BLVD ACTION AND PLANNING (RAP)



RAP is a grassroots organization seeking to bring about participatory, equitable and sustainable change in and around the Rosville Blvd corridor to grow and stabilize the local economy. They consider people, homes, schools, businesses and organizations the resources that make up our local economy. The group hosts a quarterly business networking meeting for BLVD area businesses.

For more information, please visit them on Facebook @RosvilleBlvdActionAndPlanning-Rap.



DANIKA DORRIS

LET'S CHAT

CNE is producing this “At a Glance” series to provide information to its neighbors on topics related to housing and neighborhood development. But we don't want you to just read the editions, we want you to engage with us.

We'd love our readers' thoughts on the following questions and any others.



1. How would you define affordable housing?
2. What are your thoughts about the “30%” rule for measuring housing affordability?
3. What has been your personal experience with finding housing in Chattanooga that is affordable?
4. What questions do you have after reading “What is Affordable Housing” that you would like answered?

Get in touch with your questions and thoughts via:

Facebook: @cneinc
Instagram: @cneinc
Twitter: @cnepolicy

SPONSORSHIP OPPORTUNITIES

CNE is creating the “Housing at a Glance” series so that all Chattanooga residents can become knowledgeable about the housing issues we face as a city. We believe that in order to have informed discussions on housing and neighborhood development issues, there should be a place and publication that community members can come to and read for accurate information.

Our goal is to make this work self-sustaining, where the costs of designing and publishing each report is supported by a local business that is committed to increasing civic engagement and awareness. Sponsors will be highlighted within each “Housing at a Glance” publication.



With your sponsorship, you'd be helping in CNE's efforts to:

- Serve as an information entry point for complicated topics for citizens of our city
- Increase understanding of housing and neighborhood issues
- Share information and resources
- Promote local artists and initiatives

If you would like to know more about sponsorships, please email our Policy Advocate, Alexa LeBoeuf at: aleboeuf@cneinc.org.

MEET OUR TEAM



Alexa LeBoeuf
Policy Advocate

Alexa grew up in Texas, attended college in Memphis, and made her way back to Tennessee after working in education policy and organizing in New England. She currently lives in Glenwood with her partner and their two dogs. When not working, you can find her reading, hiking or traveling around the South.

Twitter handle: @CNEpolicy



Hannah Hansen
Executive Assistant

Hannah grew up in rural east Tennessee and graduated with a BA in English Writing from Lee University in 2015. She thoroughly enjoys breaking out the red pen for some serious editing. While not in the office, Hannah is reading Stephen King novels, finding her new favorite Netflix show and heading up adventures with her husband and their dog.



Andrea Glass
Community Organizer

Andrea is a Chattanooga native. She currently lives in Highland Park with her son, Caleb. She attended high school at Tyner Academy and went to college in middle Tennessee. When she isn't working, she enjoys studying astrology, traveling, listening to music and reading.

Facebook: @AndreaGlassCNE



Martina Guilfoil
CEO

Martina has worked to create thriving neighborhoods and affordable housing for over 30 years. She has managed multiple affordable housing programs including rental housing development, loan funds for down payment assistance and shared equity mortgages, and implemented a community land trust in several cities. She enjoys sailing, salsa music and has never broken 100 in golf.



Caroline Jewell
Art Photographer

Caroline is a semi-local Chattanooga, having grown up just outside the state in Chickamauga, GA. She now works in Chattanooga, but still is a Georgia girl residing in Flintstone with her partner and two dogs. She is passionate about all things creative and how they can best be used to serve the community.

Website: carolinejewell.com



Reginald Gilmore
Research & Policy Fellow

Reginald is a Chattanooga native. He attended college in Henderson, TN, and recently acquired his masters in social work from The University of Tennessee at Chattanooga. He is active in Commission District 4, where he serves at Orchard Knob Elementary with Bridge Scholars and in community programs. Reginald enjoys running, reading and attending CFC games.



Guillermo Casanova
Art Director & Designer

Guillermo is an interdisciplinary designer from Puerto Rico, currently living in Chattanooga. He likes to work on design and art projects that are inclusively making things better. He's currently freelancing, traveling, reading The Outline, and trying to go outside as much as he can.

Instagram: @GuillermoCasanova



Selena Chavez
Community Engagement Specialist

Selena grew up in Ooltewah, TN, and attended school in Chattanooga. She was raised by her Colombian parents, who always made sure she didn't lose her Spanish. She currently lives in Ooltewah with her family. When not working, you can find her traveling the globe, spending time with friends or reading an interesting article.

Facebook: @SelenaChavez

Featured Cover Artist: **DANIKA DORRIS**

Danika Dorris was born and raised in Chattanooga. Her father was also a Chattanooga native and her mother emigrated from the Philippines. She recently graduated from the University of Tennessee in Knoxville with a bachelor's degree in industrial engineering and a minor in studio art.

The majority of her art attempts to assimilate a created space with an existing space using 2D and 3D elements in order to highlight the viewer's relationship with their surroundings. One of her works, which focuses on the relationship between industrial engineering and the community, is currently on display in the John D. Tickle building on campus. Danika has also held exhibitions at the Knoxville Center Mall, Knoxville's Gallery 1010, and was a guest artist at Chattanooga Workspace during one of their Open Studio Nights.



Her time volunteering at Erlanger and at several Project Homeless Connect events over the years has inspired her to promote connectivity within the community through art and service.

View more of her work at:
www.ddorris.wixsite.com/artwork

WORKS CITED

If you wish to find out the information sources used for this booklet, please contact Alexa at aleboeuf@cneinc.org.



