Bridging the Gap: Affordable Housing and Workforce Development Strategies

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EXECUTIVE SUMMARY

The City of Chattanooga serves as the regional hub for jobs, arts and culture, and overall urban living, as evidenced by a larger share of regional commuters and modest population growth since 2009. While the City has been prospering in many ways, the benefits of new job growth and real-estate development have not been shared by all Chattanoogans. In terms of affordable housing, needs among residents persist, and in some cases, have grown. In terms of workforce development, a significant portion of residents face unemployment or lower educational attainment that could affect their ability to access higher-paying jobs in growing sectors such as healthcare and manufacturing.

While these challenges are present throughout Chattanooga, they affect one group of residents—those who are “hard-to-house” and “hard-to-employ”—and specific areas throughout the City more acutely than other residents or areas. To further understand the connections between housing and workforce development, the project team from the National Resource Network (NRN) used Enterprise’s Communities of Opportunity Index as a framework to link strategies that target the City’s hard-to-house and hard-to-employ population. The Kirwan Institute defines opportunity as “a situation or condition that places individuals in a position to be more likely to succeed or excel.” The Communities of Opportunity Index analyzes a wide range of data indicators across five core dimensions of opportunity, focused on long-term economic mobility and well-being: 1) housing security, 2) housing market conditions, 3) healthcare, 4) transit and infrastructure, and 5) economic mobility and inclusion.

Drawing on this analysis, this report proposes an opportunity-based typology and roadmap to align appropriate affordable housing and workforce development strategies with specific local conditions, funding resources, and partners at the Census Tract level. In other words, it identifies where opportunity already exists—evidenced by more positive conditions—and identifies targeted strategies to secure affordable housing investments in opportunity-rich communities. Similarly, it shows areas of higher need and helps focus efforts on promoting both equitable affordable housing and workforce development programs to support economic mobility and resident connections in these areas.

In partnership with local affordable housing organizations, real-estate developers, workforce development stakeholders, and residents, the City should focus its efforts on increasing access to opportunity for residents through its affordable housing and workforce development strategies, using this roadmap as a means to better align their existing and future work. Through cross-sector collaboration, the City and its partners can build communities of opportunity and ensure all Chattanoogans benefit from the City’s growing prosperity.

During the “Bridging the Gap” workshop in October 2016, affordable housing and workforce development stakeholders affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could initiate this effort. In addition to a pilot project, the following actions would support closer coordination and better use of limited resources:

- **Finalize visions for affordable housing and workforce development.** To help facilitate partnerships, priorities, community engagement and align resources, the City needs a common vision for both affordable housing and workforce development. The City’s stronger neighborhoods framework, Chattanooga 2.0, combined with the Communities of Opportunity Index, provides the necessary context for the City to shape its vision.
• **Align affordable housing and workforce development strategies around access to opportunity.** Using the *Communities of Opportunity Index*, typology and roadmap, the City can better understand market and neighborhood conditions and how those conditions impact access to opportunity for hard-to-house and hard-to-employ populations. By understanding the relationship between various workforce development and housing market conditions and other social challenges, the City will be able to choose the appropriate strategies and begin to shift the focus from isolated programs and policies, to coordinated cross-sector strategies and partnerships that promote access to opportunity.

• **Pursue alternative financing and policy tools that incentivize affordable housing and workforce development.** The City’s recently revised Housing PILOT Program and regulatory changes through adoption of its form-based code are good steps toward prioritizing affordable housing. However, the City lacks the necessary financing mechanisms and policies to adequately leverage existing resources to respond to the level of need for its residents. Section 108 funds, for example, could be leveraged to catalyze a mixed-use development that combines mixed-income housing and workforce training in a tipping point opportunity area.

• **Align organizational structure to support strategies moving forward.** The Department of Economic and Community Development (ECD) is well positioned to lead the City’s affordable housing strategies, while Chattanooga 2.0 has united several stakeholders to coordinate workforce development strategies. Moving forward, the City may need to consider structural changes to better position itself to prioritize, implement and support coordinated affordable housing and workforce development strategies that are focused on neighborhoods, rather than City-wide programs.

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**THE CONNECTION BETWEEN AFFORDABLE HOUSING AND WORKFORCE DEVELOPMENT**

Data analysis and anecdotes collected from local stakeholders over the course of this engagement underscored the importance of cross-sector connections between affordable housing and workforce development. One local stakeholder articulated the need to acknowledge the dual sides of these challenges, saying we can’t build our way out to more affordable housing; access to higher incomes has to be part of the solution.

Yet, like in many cities in the United States, Chattanooga still approaches its affordable housing and workforce development challenges as discrete issues, and at times responds to these challenges with disconnected or competing strategies or programs. As a result, related challenges among both residents of distressed communities and employers are often overlooked, particularly in formulating solutions.

Matthew Desmond, author of *Evicted*, powerfully explains the connection between affordable housing and workforce development, calling affordable housing a “human-capital investment.” Desmond concludes that workers falling behind on rent and facing eviction are more likely to demonstrate declining work performance or be laid off. He explains why employers and other groups involved in workforce development efforts should care about affordable housing this way: “Families crushed by the high cost of housing cannot afford vocational training or extra schooling that would allow them to acquire new skills; and many cannot stay in one place long enough to hold down the same job. Affordable housing is a human-capital investment, just like job programs or education, one that would strengthen and steady the American workforce.”
In short, affordable housing helps build and retain a more competitive workforce and strong local economies. And a more competitive workforce can access better-paying jobs, in turn enabling scarce housing resources to help those most in need.iii

Understanding place, as a means to provide access to the types of services, housing, education, healthcare, and transportation, plays a critical role in beginning to build connected strategies for hard-to-house and hard-to-employ residents. As Alan Mallach describes, not all neighborhoods (or places) offer the types of services residents, especially hard-to-house and hard-to-employ residents, need to thrive. Instead, “when it comes to the housing market, neighborhoods tend to fall along points of a continuum, from the strongest neighborhoods, with the greatest housing demand and highest prices, to the weakest, where there is little demand and prices are low.iv

Similar dynamics can be seen in the Chattanooga economy, with unprecedented job growth in sectors such as manufacturing, healthcare, and logistics on one end, and on the other, residents in certain neighborhoods who are unable to benefit from the city’s recent job growth due to lack of opportunity in the form of education, training and social supports.

REPORT STRUCTURE
Section 1 of this report summarizes key trends related to affordable housing needs. It also explores local barriers related to the City’s affordable housing work and existing assets and opportunities to inform strategy. Section 2 focuses on similar topics related to workforce development, including industry and job growth, assets, and opportunities. Section 3 aligns affordable housing and workforce development visions and goals, cross-sector strategies, funding, and neighborhood conditions in a roadmap to assist the City and its partners in implementing affordable housing and workforce development strategies that are responsive to place.

SECTION 1 – AFFORDABLE HOUSING IN CHATTANOOGA

While Chattanooga compares favorably to other Southern cities, Chattanooga’s hard-to-house residents face significant challenges, including rising housing costs, low-income levels, lack of affordable units and housing types, and limited access to opportunity (see Appendix B for full comparison).

Many residents throughout the City, especially renters, pay a high percentage of their incomes toward housing costs. The number of residents in need of affordable housing has grown in recent years, driven by housing costs that outpaced income growth. The most vulnerable residents—those who are low-income and paying 50 percent or more of their income toward housing costs or “housing insecure” residents—may not be able to find housing priced at affordable rents ($298–$794).v

While Chattanooga has a sufficient supply of housing priced at these levels, about one-third of these units are being occupied by households with higher incomes. The age and types of housing within the City could constrain the supply of affordable housing over time. Anecdotal evidence suggests market pressure threatens affordability in Chattanooga’s established or stable neighborhoods, citing stories about the cost of utilities exceeding rent, loss of “income-affordable” housing, and investors buying out long-time homeowners.

These challenges, discussed in more detail below, extend beyond housing, further underscoring the need for a cross-sector perspective in addressing them. Housing insecure households—in addition to
households already receiving rental assistance—tend to live in areas with limited access to opportunity, as evidenced by higher rates of crime and low transit frequency and coverage. The following section is support by data tables and maps in Appendix C.

EXISTING CONDITIONS
What does the data say?

HOUSING NEEDS
Housing need is primarily characterized by residents paying too much for housing, as captured by the data on cost-burdens. The number of residents in need of affordable housing has grown in recent years, driven by higher housing costs and lower wages. Housing insecure households pay the most toward housing (50 percent of their income or more) and have the lowest ability to pay (due to incomes between 0 and 80 percent of the area median income, or less than $31,764).

Housing costs. Housing costs—a general term meaning mortgage payments and utilities for owners and rent and utilities for renters—have increased for renters and decreased for owners within the City of Chattanooga since 1990. Between 1990 and 2014, housing costs for renters increased 57 percent, while median income only increased 3 percent over the same time period. Figure 1 shows the growing gap between renters’ housing costs and median income. When compared with county- and state-level trends, Chattanooga has experienced a wider gap between rents and income than Hamilton County and the state of Tennessee.

Housing costs for homeowners in Chattanooga, on the other hand, have fluctuated over the last two-plus decades, but overall, have not increased. Figure 2 demonstrates that homeowners’ housing costs have kept pace with income over time, even though housing costs and median income varied year-to-year. This finding largely mirrors state- and county-level trends, where housing costs for homeowners with mortgages increased by 1 percent in both cases.

Cost-burdens. Higher costs—particularly for renters—have resulted in 35 percent (or 25,130) of Chattanooga’s households living with cost-burdens, paying more than 30 percent of their household income toward housing costs. The number of cost-burdened households increased by 6 percent since 2009—although another disparity exists between renters and owners. The number of cost-burdened owner households fell by 729 between 2009 and 2014, while the number of renter households increased by 1,667. As of 2014, 18 percent of households—or 12,197 households—in Chattanooga were “housing insecure.” Again, housing insecurity affects renters more acutely, about 16 percentage points higher than owners.

Geographically, concentrations of cost-burdened and housing insecure owners are dispersed among a few adjacent Census Tracts that are farther east than areas of concentration for cost-burdened and housing insecure renters, who tend to live closer to Downtown Chattanooga (see Maps 1a–1b and 2a–2b).

Hard-to-house and hard-to-employ population. Housing insecurity affects residents of all walks of life within Chattanooga. It is most prevalent, however, among residents living alone or with unrelated roommates, representing 59 percent of all housing insecure households. Households with children—either single parents or married couples—comprise another one-third of these households. Housing insecurity affects Black and African Americans at a higher rate than it affects the City’s total population.
(38 percent compared to 29 percent). Overall, though, one-half of all housing insecure households identify as White.\textsuperscript{a}

High unemployment and low educational attainment among housing insecure households underscores the need for workforce development in addition to more affordable housing options. Forty-eight percent of housing insecure households lack post-secondary credentials: 24 percent of housing insecure households have a high school diploma and another 24 percent have no high school degree.\textsuperscript{x}

**HOUSING SUPPLY**

Several factors constrain the supply of affordable housing within Chattanooga. The City lacks rental units affordable to extremely and very low-income households (those making less than $19,842). More than one-third of rental units affordable for low-income households within Chattanooga are being occupied by higher income households. The Chattanooga Housing Authority, which historically serves extremely low-income households, may soon take units offline due to unmet capital need. More than 2,100 subsidized or “income-restricted” units are at-risk of expiring and converting to market-rate housing by 2030. Together, these dynamics suggest a need to increase the supply of affordable housing, as well as preserve existing affordable housing, accounting for additional factors such as age and type of the current housing stock and market pressure in areas experiencing building activity.

**Affordable housing supply.** In reviewing the housing gaps analysis, Chattanooga appears to have an oversupply of rental units affordable for low-income households (see Figure 3). These households make $11,905 or less and as much as $31,764 annually and can afford monthly rents between $298 and $794 without cost-burdens.\textsuperscript{xii}

However, the City lacks enough units for extremely and very low-income renters—those households making at or below 0–50 percent of area median income. Units for households with lower incomes often require support services or deeper subsidies or cross-subsidizing, which requires sophisticated expertise to finance and develop. Historically, cities have relied on public housing authorities to serve extremely and very low-income residents. In Chattanooga, this is the case at the Housing Authority of the City of Chattanooga, where the average household income is about $9,000.\textsuperscript{xiii}

The supply of affordable rental units is further constrained by a mismatch between who can afford these units and who actually occupies them. Even though Chattanooga has more units affordable to low-income renters, especially those making 51–80 percent of area median income, 32 percent of these units are occupied by a household at a higher income level, putting additional pressure on the supply of affordable units for low-income households.

The supply of Chattanooga’s affordable units could shrink with the loss of subsidized or “income restricted” units. These units have provisions to keep them affordable for 5–30 years, depending on the subsidy. Within Chattanooga, 2,108 federally subsidized units are at-risk of expiring by 2030, with a majority expirations occurring between 2016 and 2025.\textsuperscript{xiv}

**Age & housing types.** The existing housing stock in Chattanooga tends to be older, single-family or midrise to large-scale multifamily property. Older properties tend be “income-affordable” housing, meaning they command lower rents because of their age and provide housing to different income levels in the market, often without rental assistance. As the City considers new policies and strategies, it should account for these unique characteristics.
Sixty-six percent of the City’s housing stock is single-family attached or detached housing, followed by mid-rise or larger scale multifamily properties (16 percent). Together, these products make up more than 80 percent of Chattanooga’s existing housing stock. More than one-half of the City’s housing stock is more than 35 years old, which poses challenges in terms of maintenance and could displace residents, either voluntarily or involuntarily. Voluntary displacement could occur if property owners pass along the cost of repairs or frequent maintenance to renters or if poor maintenance contributes to higher utilities, forcing residents to seek more affordable alternatives. Involuntary displacement could occur if properties are not well-maintained and exit the housing supply altogether.

In both cases, displacement could destabilize neighborhoods and increase the cost of housing for residents within Chattanooga. Because much of the City’s existing stock is single-family, the typical rental property owner may not have access to capital to make necessary repairs to avoid this.

**Market activity.** Market activity can accelerate displacement and conversions of income-restricted housing to market-rate housing as subsidies expire. In particular, local stakeholders shared concerns about market pressure threatening affordability in Chattanooga’s established or stable neighborhoods, citing anecdotal evidence about the cost of utilities exceeding rent, loss of “income-affordable” housing, and investors buying out long-time homeowners. In large part, the data analysis supports these anecdotes. By number of permits, the neighborhoods of St. Elmo, Northside/Cherokee, and Highland Park have experienced the most residential building activity since 2010. The neighborhoods of Northside/Cherokee, Missionary Ridge, and Jefferson Heights have experienced the highest total investment over the same time period.

**LIMITED ACCESS TO OPPORTUNITY**

Integrating elements of opportunity, namely transit access and coverage and public safety, demonstrates how cross-sector connections are critical to comprehensively addressing affordable housing needs and preserving existing affordable housing investments. HUD’s 2015 fair housing rule, which embraces a balanced approach between place-based capital investments in low-income communities and strategies promoting mobility, further underscores the importance of a comprehensive, cross-sector approach to affordable housing work, particularly in racially/ethnically concentrated areas of poverty (R/ECAP) like Avondale, Alton Park, and East Lake (see Map 8). Our analysis focused on two populations: 1) housing insecure individuals and families who are in need of stable housing; and 2) households already receiving rental assistance (“assisted households”). In general, both groups live in areas with limited access to high-frequency transit. Assisted households tend to live in unsafe areas relative to the rest of the City and housing insecure households. This relationship between existing affordable housing and limited high frequency transit and the concentration of assisted housing in less safe areas of the City effectively reduces the opportunities for these households, relative to other households in the City.

**Transit access and coverage.** An important component of opportunity is whether residents can get to their daily activities conveniently—especially if they are transit-dependent or would prefer to commute by transit to reduce their household costs. Across CARTA’s system, higher frequency service (headways of 15 minutes or less) is offered primarily in and around Downtown Chattanooga, currently serving a total of 380 assisted or housing insecure households. Outside of Downtown Chattanooga, transit frequency is more likely to be about 60 minutes or more on average (see Map 3).

Transit coverage of Route 4—measured by the number of assisted and housing insecure households living within one-quarter mile of Route 4—mirrors trends related to service system wide. The highest
coverage for assisted households (26 percent) is in Downtown Chattanooga, which is also the area of the City with the highest frequency of service by stop for both assisted and housing insecure households. For housing insecure households, the highest coverage is in neighborhoods like Orchard Knob (21 percent) followed by Downtown Chattanooga and South Brainerd and Brainerd Park (both 18 percent).\textsuperscript{xx}

Outside of the downtown area, other households’ proximity to Route 4’s high-frequency service is limited. The share of households living within one-quarter mile of Route 4 ranges from less than 1 to 23 percent for assisted households and less than 1 to 17 percent for housing insecure households. Maps 4a and 4b and Maps 5a and 5b compare transit coverage for most CARTA routes and coverage for Route 4 for assisted and housing insecure households, respectively.

\textit{Public safety.} In terms of public safety, measured as incidence of violent crime per 100 persons, assisted households tend to live unsafe areas relative to housing insecure households and the rest of the City.\textsuperscript{xxi} The areas within Chattanooga with the highest concentrations of assisted households, like Alton Park/Piney Woods and East Lake, have violent crime rates of 11 or 12 incidents per 100 persons.\textsuperscript{xxii}

In general, housing insecure households tend to live in safer areas. Areas like Highland Park that have the highest concentration of housing insecure renters (46 percent) has a violent crime rate of 9 incidents per 100 persons. Areas with the next highest concentrations of housing insecure renters (41–44 percent) have a low rate: 1 per 100 persons.\textsuperscript{xxiii} Maps 6 and 7 show the incidence of violent crime throughout the City in relation to where assisted and housing insecure households live.

\textit{Fair housing.} HUD’s July 2015 rule on Affirmatively Furthering Fair Housing, or AFFH, further underscores the need for municipalities receiving federal block grant funds to identify opportunities for cross-sector connections in deciding where to site new or preserve existing affordable housing.\textsuperscript{xxiv} This fair housing rule embraces a “balanced approach” between place-based capital investments in low-income communities and strategies promoting mobility that allow low-income households to gain access to safe neighborhoods and high-performing schools.

It also focuses on addressing disparities among different racial and ethnic groups, using its online mapping tool to highlight racially/ethnically concentrated areas of poverty (R/ECAP) in accordance with AFFH. As Map 8 shows, areas like Avondale, Alton Park, and East Lake have more African American households than the rest of the City, and these areas fall within the HUD-designated R/ECAP area. This designation suggests a need for a more comprehensive approach to neighborhood revitalization if the City and CHA plan to use federal funding in this area.

\textbf{LOCAL BARRIERS AND ASSETS}

Today, the City has too few policy tools and financing mechanisms to begin to effectively address these challenges in a meaningful way—although recent programs and initiatives are cultivating new ideas and resources to address this gap. Perhaps most notably, the City lacks a common vision to help leverage existing assets and guide development of new policies and resources.

Conversations with City staff and affordable housing stakeholders yielded several observations that underscore the city’s need to further define its affordable housing-related goals and expand its existing approach to incorporate additional tools and resources. These conversations also highlighted existing work that could be further leveraged to advance affordable housing development within Chattanooga. Key observations related to local barriers and assets were as follows:
1. **Lack of consensus on an overall vision and goals for affordable housing, key priorities, and target populations**
2. **Limited local capacity and financing mechanisms**
3. **“Missing middle” housing initiatives**
4. **Chattanooga Land Bank Authority**
5. **Housing PILOT program**

### LOCAL BARRIERS

What is hindering our progress?

**Lack of consensus.** During the NRN team’s initial visit, City staff and local affordable housing partners articulated different definitions of “affordable housing,” including the differences between affordable and income restricted housing, target populations and geographies, strategies, and needs among residents. In short, stakeholders, while committed to addressing affordable housing needs, lacked consensus about the overarching outcomes of their collective work. A lack of overall vision and cohesion among stakeholders can lead to transactional or output-driven activities, rather than transformational or outcome-driven strategies.

This conclusion was reinforced by the NRN team’s review of existing planning documents, related studies, programs, and initiatives, which aimed to ascertain the City’s overall direction for its affordable housing work. While many of its reports, studies, and plans reference affordable housing, none articulated a clear affordable housing vision or strategy to guide programming and funding. Addressing this barrier is critical to leveraging and advancing affordable housing strategies in Chattanooga, as many stakeholders and partners look to the City for guidance, strategic direction, and resources related to affordable housing.

**Limited local capacity and financing mechanisms.** Several City staff and key stakeholders noted the growing costs in developing housing, the lack of affordable housing developer capacity, and limited financing mechanisms to incentivize or subsidize affordable housing development. The primary subsidies available to ECD are the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME), approximately $1.6 million and $665,000 annually, respectively.

The lack of alternative or additional financing mechanisms limits the City’s ability to leverage its existing resources in ways to better respond to housing need among residents and assist developers. For instance, with limited financing mechanisms, it will be challenging for the City to simultaneously produce more affordable housing options and preserve existing affordable units.

### LOCAL ASSETS

What are we doing to address the needs?

**Missing Middle housing initiatives.** As discussed above, Chattanooga’s housing stock is primarily single-family homes or mid-rise or large-scale apartment buildings, with limited options for smaller-scale housing types.

The City’s recent adoption of a form-based code, too, provides an opportunity to diversify the City’s housing stock, meet growing demand for walkable, urban living, and ease overall development and housing costs. This new set of regulations expands the range of housing types that can be built without
special approval (or “by-right”) as long as they meet the site and building design elements outlined within the code. This code applies to areas throughout Chattanooga, such as Downtown Chattanooga and some adjacent areas, which NRN’s analysis suggests are experiencing a range of needs, notably higher rates of cost-burdened households. The code also enables building smaller units as part of single-family homes (or “accessory dwelling units”) in some areas covered by the form-based code, namely the Urban and Urban Edge Context Zones.

The City is already exploring how to develop “missing middle” housing—products such as duplexes, fourplexes, mansion apartments, and bungalows that are neither single-family houses nor midrise or large apartment buildings—through two complementary efforts. Led separately by the Chattanooga Neighborhood Enterprise (CNE) and the Incremental Housing Alliance and Center for Transect Studies, these efforts aim to develop prototypes of “missing middle” housing types and train developers on small-scale development. Early conversations for piloting this work have focused on areas in Chattanooga experiencing high rates of cost-burdened renters, such as Highland Park, and those with several CHA properties that are also classified as a racially/ethnically concentrated area of poverty (R/ECAP) under HUD’s 2015 fair housing rule (AFFH), such as Avondale, Alton Park, and East Lake.

**Chattanooga Land Bank Authority.** The land bank’s primary objective is to return blighted properties back to the market for affordable housing, public spaces, and industrial use. As the disposition agent for the City, the land bank can play a pivotal role in ensuring access to opportunity in the redevelopment of acquired sites. Although the land bank will not have powers of eminent domain or taxation, it can be the catalyst to secure land for affordable housing and remove blight. Land Banks and community land trusts (CLTs) often work closely to ensure the long-term affordability of land-banked residential properties. The land bank could leverage brownfield sites and targeted code enforcement activities to secure blighted properties owned by absentee landlords and to rehabilitate and secure these properties as affordable housing in partnership with a CLT.

**Housing PILOT Program.** The City’s previous Housing PILOT Program focused exclusively on the downtown, North Shore, and Southside areas, as a means to spur economic development. The prior program required developers to include at least 20 percent affordable units in residential development projects. Recent changes to the City’s Housing PILOT Program expand its reach to encompass the entire city and require a minimum of 50 percent affordable units. These new provisions create an opportunity for more mixed-income developments, especially in areas in need of stabilization or revitalization. If this program evaluated potential projects in terms of access to opportunity, this provision could help facilitate linkages with workforce development programs and other sectors’ initiatives.

**Stronger Neighborhoods Framework.** The City’s recent efforts to develop a framework to evaluate strategies are a good first step towards aligning strategy with neighborhood conditions, while incorporating roles for various partners. In particular, he Stronger Neighborhoods framework provides a good foundation to implement the Communities of Opportunity Strategy Roadmap, developed by the NRN team, which could help align performance measures around access to opportunity.

**OPPORTUNITIES**

**What could we be doing?**

In addition to leveraging its existing programs and resources, Chattanooga could pursue new or more flexible financing tools, like an Affordable Housing Trust or Neighborhood Revitalization Strategy Area.
designation, or new ways to use land, like through a community land trust or brownfield redevelopment strategy. This section highlights a selection of real-world examples that are relevant to Chattanooga’s existing challenges. These examples include both local applicability and how other communities have used similar tools in their affordable housing work. Appendix D provides a more detailed overview of similar approaches implemented by other cities that Chattanooga could undertake.

*Consider a Community Land Trust Model.* Community land trusts (CLTs) are effective models for ensuring long-term or permanent affordability of for-sale housing. Under the CLT model, the CLT maintains a long-term lease on the land associated with a home, while the buyer purchases the structure at an affordable price. Affordability is achieved by removing the land cost from the purchase price and, in many cases, by the use of additional subsidy to lower the price of the actual building. In return for these subsidies, the homeowner agrees to sell the home at a resale-restricted affordable price to another lower income homebuyer in the future. CLT homeowners still build equity in their original purchase and benefit from a share of the appreciation, which increases the amount of subsidy available to the next purchaser, ensuring lasting affordability. CLTs are particularly effective models for rapidly appreciating communities facing the prospect of a significant loss of affordability.

*Develop an Affordable Housing Trust.* As part of the *Chattanooga Forward* initiative, the City’s Housing Task Force recommended developing an affordable housing trust (AHT) to provide financing to public, private, or non-profit housing providers at a discount in return for incorporating affordable housing into development projects. The City has not developed or implemented the AHT, but there is a growing need for alternative financing mechanisms to subsidize affordable housing development in Chattanooga. A key component of a functioning AHT is a dedicated funding source. While cities have created dedicated funding sources in a variety of ways, a typical mechanism originates from a percentage increase to a local tax (e.g., insurance, car, hotel, etc.). The recommendation from the Housing Task Force provides an opportunity to capitalize an AHT and provide a dedicated funding source to support the City’s strategies moving forward.

*Develop a Neighborhood Revitalization Strategy Area (NRSA) or Local Target Areas.* Given the City’s limited funding, the existing CDBG target areas are too broad. To narrow down, ECD could develop a neighborhood revitalization strategy area (NRSA) and create programs that align with the proposed opportunity typology. An NRSA supports mixed-income and small-business development by providing greater flexibility than is normally granted under CDBG regulations. By targeting resources in an NRSA or locally defined target area, the City can demonstrate a cross-sector strategy that increases access to opportunity, and then expand that strategy to other areas throughout the City.
Develop a Brownfield Strategy. According to the U.S. Environmental Protection Agency (EPA), Chattanooga has approximately 51 brownfields cleanup activities underway throughout the City (See Map 9). Due to the known contaminants and unknown cost of remediation, developers tend to stay away from brownfield projects. However, these sites can be transformed into assets if properly leveraged. The City recently received $400,000 from the EPA to clean up the Christian School and Standard Coosa Thatcher Mill sites. These brownfield sites and others throughout the City provide an opportunity to revitalize distressed neighborhoods and corridors, improve public health, encourage innovation, and boost local job opportunities. These sites may be opportunities for the recently formed Land Bank Authority to acquire, in order to secure affordable housing opportunities as they are redeveloped. Additionally, financing mechanisms like New Market Tax Credits (NMTC), Section 108 funds, and Property Assessed Clean Energy (PACE) may provide the necessary financing to incentivize developers to redevelop brownfield sites.

Create a Revolving Loan Fund using Code Enforcement Revenue. Depending on the amount of revenue generated through the City’s code enforcement efforts, there may be an opportunity to leverage that revenue to capitalize a loan pool that would support targeted neighborhood revitalization efforts. This could be accomplished in conjunction with an NRSA or local target area designation, similar to the City’s recent efforts in the Avondale neighborhood. Code enforcement efforts could precede other revitalization efforts and target substandard properties.

ESTABLISHING A FRAMEWORK
How do we move forward?

Together, the City’s existing conditions related to housing needs, supply, and opportunity, as well as the existing local barriers and assets in undertaking affordable housing work, demonstrate affordable housing is not an isolated social challenge. Lack of affordable and safe housing impacts households in several ways: health and safety, education, transportation, and economic mobility.

Thus, strategies focused on the development or preservation of affordable housing alone will not reverse the trends of housing insecurity, poverty, and unemployment, nor the many other effects of limited access to opportunity.
As part of this engagement, Enterprise Community Partners introduced the Communities of Opportunity Index to City staff and stakeholders as a potential framework and tool to evaluate local needs and conditions across multiple sectors.

The five dimensions of the Communities of Opportunity Index are Resident Housing Security; Housing Market Conditions; Resident Economic Mobility and Inclusion; Resident Connections to Transit, Infrastructure and Environment; and Resident Health and Wellness. The following summarizes each dimension of the index:

- **Resident Housing Security** – Examines the extent to which residents at each income level are experiencing acute housing instability and to what extent particularly vulnerable populations are experiencing housing challenges in place.

- **Housing Market Conditions** – Examines the extent to which housing in this community is affordable, well-designed and sustainable, and available to residents at all income levels.

- **Resident Health and Wellness** – Examines the extent to which residents are experiencing acute health challenges; have access to healthy environments and health care; are actively engaged in the civic and social life of their communities; and experience the area as a safe place.

- **Resident Economic Mobility** – Examines the extent to which residents have access to credit and capital; access to education and income; and live in mixed-income and racially diverse places.

- **Resident Connection to Transit, Infrastructure and Environment** – Examines the extent to which residents are connected to key resources in the community; have access to neighborhood infrastructure; and live in environmentally safe places.

Using this framework, the project team developed a roadmap that aligns place-based and cross-sector strategies, related financing, policies, and partnerships toward a common vision. Section 3 incorporates workforce development and affordable housing assets, opportunities, and strategies into the roadmap framework to establish linkages between these two sectors.

**SECTION 2 – WORKFORCE DEVELOPMENT IN CHATTANOOGA**

The strong economy in Chattanooga offers great opportunity, but Chattanooga's hard-to-house and hard-to-employ residents could be left behind without a concerted effort to address the barriers that stand in the way of their economic success.

**EXISTING CONDITIONS**

**What does the data say?**

Chattanooga and surrounding Hamilton County are experiencing tremendous job growth that is projected to continue. According to Chattanooga 2.0’s report “Building the Smartest Community in the South,” the region will add 10,000 new jobs over the next few years. While Chattanooga 2.0 and the labor market data in this section refer to Hamilton County as a whole, most of the jobs in the county are
in the City of Chattanooga. Notably, 80 percent of the jobs that pay $35,000 or more require some postsecondary credential.\textsuperscript{xxv} In this high-skill economy, many Chattanoogan residents are at a particular disadvantage.

As mentioned previously, only 33 percent of Chattanoogans age 25 and above have an associate’s degree or higher. For 29 percent of residents, a high school diploma is their highest level of education. In addition, the disparities between Whites and Black residents are striking. Forty-three percent of White Chattanoogans have an associate’s degree or higher, while this is true for only 15 percent of Black Chattanoogans—a group that represents almost three-quarters of the City’s non-White population. In addition, 39 percent of Black Chattanoogans have a high school diploma or equivalent as their highest level of education (compared to 29 percent for Chattanoogans as a whole).\textsuperscript{xxvi}

These disparities in educational attainment are reflected in income and employment. While the City’s unemployment rate was 9 percent in 2015, unemployment was 16 percent for Black residents. In addition, while a significant number of Black residents are employed, their median income in 2015 ($26,948) was far lower than the City’s median income ($40,004). Black Chattanoogans are also disproportionately likely to live in poverty. An estimated 22 percent of Chattanoogans live below the poverty line,\textsuperscript{xxvii} an increase of 4 percent between 2010 and 2015,\textsuperscript{xxviii} but 26 percent of Black residents live below the poverty line. These statistics underscore that not all Chattanoogans are benefiting from its economic revival, which suggests a targeted effort is needed to boost the skills and earnings of these residents.

Currently, a majority of the City’s low-income residents work in areas such as accommodation and food services; retail trade; and administrative and support services. Typically, these sectors offer lower wages and limited advancement opportunities for workers. The table below identifies the largest sectors by employment in Hamilton County.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs in Sector</th>
<th>Share of Private Sector Employment</th>
<th>Current Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>25,710</td>
<td>13.5%</td>
<td>$49,941</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>24,243</td>
<td>12.7%</td>
<td>$59,912</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>20,286</td>
<td>10.6%</td>
<td>$17,087</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>20,080</td>
<td>10.5%</td>
<td>$30,208</td>
</tr>
<tr>
<td>Administrative and Support and Waste Management</td>
<td>16,035</td>
<td>8.4%</td>
<td>$28,317</td>
</tr>
<tr>
<td>Remediation Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>14,377</td>
<td>7.5%</td>
<td>$43,127</td>
</tr>
<tr>
<td>Other Services (except Public Administration)</td>
<td>11,714</td>
<td>6.1%</td>
<td>$27,595</td>
</tr>
<tr>
<td>Construction</td>
<td>11,489</td>
<td>6.0%</td>
<td>$52,837</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>10,084</td>
<td>5.3%</td>
<td>$71,435</td>
</tr>
</tbody>
</table>

A workforce development strategy focused on boosting skills and employment opportunities will help ensure that the lowest income Chattanoogans can benefit from the area’s growing economy. This discussion focuses on how to capitalize on the projected job growth in health care and manufacturing sectors over the next five years. These sectors could offer living-wage job opportunities for candidates with less than a bachelor’s degree. As organizations undertake efforts to build skills for higher-paying jobs in these growing sectors, they will need to account for occupation-specific barriers, such as unusual schedules, of the large share of workers in service-industry jobs.
The Health Care Industry

Health care is the largest and fastest-growing private sector in Hamilton County. There are 25,710 jobs—13.5 percent of Hamilton County’s private-sector employment—and roughly two-thirds of these jobs are concentrated in occupations that typically require less than a bachelor’s degree. As a whole, health care employment in Hamilton County is anticipated to grow 12.7 percent between 2016 and 2021, exceeding Tennessee (11.7 percent) and the nation (10.9 percent). This growth, in tandem with impending retirements, creates tremendous opportunity for Chattanoogans to fill the many living-wage job openings in this sector.

Major health care employers in the Chattanooga area include Erlanger Health System (4,384 full-time employees (FTE)), CHI Memorial (2,602 FTE), and Parkridge Medical Center, Inc. (1,310 FTE).xxix Employer demand is projected to be especially strong in ambulatory health care services, a health care subsector that includes offices of physicians, dentists, and home health care services. The distribution of jobs, wages, and projected job growth in each of health care’s four subsectors is shown below.

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Jobs in Sector</th>
<th>2016–2021 Change</th>
<th>Current Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulatory Health Care Services</td>
<td>13,706</td>
<td>1,959</td>
<td>$61,418</td>
</tr>
<tr>
<td>Hospitals</td>
<td>4,534</td>
<td>574</td>
<td>$53,280</td>
</tr>
<tr>
<td>Nursing and Residential Care Facilities</td>
<td>3,964</td>
<td>325</td>
<td>$31,534</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>3,505</td>
<td>397</td>
<td>$21,562</td>
</tr>
</tbody>
</table>

Jobs that typically require less than a bachelor’s degree account for the majority of projected openings in the health care sector. Registered nurses are in particularly high demand. While employers across the nation increasingly prefer registered nurses with bachelor’s degrees, 70 percent of job postings for registered nurses that specified an education level in Chattanooga over the past 12 months were looking for an associate’s degree.xxx Projections are also strong for middle-skill occupations such as licensed practical and licensed vocational nurses and physical therapy assistants.

The greatest area of opportunity lies in entry-level occupations that are critical to the sector but that often pay low wages, including medical assistants, nursing assistants, and home health aides. These positions provide an entry point to the industry, but advancement to higher-paying positions is often elusive without clear opportunities for additional training clearly articulated in career ladders. The top 10 sub-bachelor’s degree health care occupations (by annual openingsxxxi) are shown below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Nurses</td>
<td>4,859</td>
<td>$27.14</td>
<td>200</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>1,998</td>
<td>$13.98</td>
<td>84</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>1,777</td>
<td>$11.04</td>
<td>68</td>
</tr>
<tr>
<td>Licensed Practical and Licensed Vocational Nurses</td>
<td>1,259</td>
<td>$17.31</td>
<td>54</td>
</tr>
<tr>
<td>Medical Secretaries</td>
<td>810</td>
<td>$14.22</td>
<td>30</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>185</td>
<td>$10.10</td>
<td>26</td>
</tr>
<tr>
<td>Physical Therapist Assistants</td>
<td>346</td>
<td>$26.11</td>
<td>21</td>
</tr>
<tr>
<td>Emergency Medical Technicians and Paramedics</td>
<td>341</td>
<td>$14.56</td>
<td>19</td>
</tr>
<tr>
<td>Medical Records and Health Information Technicians</td>
<td>488</td>
<td>$15.33</td>
<td>18</td>
</tr>
<tr>
<td>Medical and Clinical Laboratory Technicians</td>
<td>447</td>
<td>$15.43</td>
<td>17</td>
</tr>
</tbody>
</table>
Based on occupational demand for health care employees in Hamilton County, the following chart illustrates what a career ladder, beginning with entry-level positions and demonstrating what avenues for advancement might look like.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Jobs in Sector</th>
<th>Median Hourly Earnings</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High-Skill</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Registered Nurses                  | 2,933          | $27.14                 | ● Consult and coordinate with health care team members to plan, implement, or evaluate patient care plans  
                                           ● Administer medications to patients and monitor patients for reactions |
| Dental Hygienists                  | 366            | $31.32                 | ● Clean teeth and gums using dental instruments  
                                           ● Provide health education to improve the oral health of patients |
| **Middle-Skill**                   |                |                        |                                                                      |
| Licensed Practical and Licensed Vocational Nurses | 925           | $17.31                 | ● Administer prescribed medications or start intravenous fluids  
                                           ● Provide basic patient care, such as taking temperature or blood pressures |
| Dental Assistants                  | 364            | $16.40                 | ● Take and record medical and dental histories  
                                           ● Assist dentist during dental procedures |
| **Entry Level**                    |                |                        |                                                                      |
| Medical Assistants                 | 1,799          | $13.98                 | ● Interview patients to obtain medical information  
                                           ● Record patients’ medical history |
| Nursing Assistants                 | 1,410          | $11.04                 | ● Answer patient call signals to determine patient needs  
                                           ● Provide physical support to assist patients |

The Manufacturing Industry

Manufacturing is the second-largest private sector in Hamilton County and most important to the county economy, accounting for 16 percent of gross regional product. There are 24,243 jobs—12.7 percent of Hamilton County’s private-sector employment—and about 83 percent of these jobs are concentrated in occupations that typically require less than a bachelor’s degree. As a whole, manufacturing employment in Hamilton County is anticipated to decline 4.2 percent between 2016 and 2021, slower than Tennessee (−6 percent) and faster than the nation (−2.8 percent). However, the number of jobs in the sector, combined with factors such as retirements, career changes, and relocations, ensure continuing availability of entry-level and middle-skill job openings in manufacturing.

Major manufacturing employers in the Chattanooga area include McKee Foods Corporation (2,700 FTE), Roper Corporation (1,800 FTE), and Astec Industries, Inc. (1,318 FTE). Manufacturing is made up of a number of sub-sectors, including manufacturers of durable goods (including transportation equipment, fabricated metal products, and machinery manufacturing being the largest sub-sectors) and nondurable goods (including food, chemical, and paper manufacturers). Employer demand is projected to be particularly strong in transportation equipment manufacturing, with forecasts predicting a 20 percent
increase over the next five years. The distribution of jobs, wages, and projected job growth in the county’s largest manufacturing subsectors is shown below.

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Jobs in Sector</th>
<th>2016–2021 Change</th>
<th>Current Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Manufacturing</td>
<td>4,751</td>
<td>(437)</td>
<td>$46,311</td>
</tr>
<tr>
<td>Transportation Equipment Manufacturing</td>
<td>3,624</td>
<td>725</td>
<td>$71,554</td>
</tr>
<tr>
<td>Fabricated Metal Product Manufacturing</td>
<td>2,984</td>
<td>36</td>
<td>$64,663</td>
</tr>
<tr>
<td>Machinery Manufacturing</td>
<td>2,837</td>
<td>(37)</td>
<td>$67,415</td>
</tr>
<tr>
<td>Chemical Manufacturing</td>
<td>2,052</td>
<td>(289)</td>
<td>$83,155</td>
</tr>
<tr>
<td>Printing and Related Support Activities</td>
<td>1,390</td>
<td>(343)</td>
<td>$47,615</td>
</tr>
<tr>
<td>Nonmetallic Mineral Product Manufacturing</td>
<td>1,227</td>
<td>3</td>
<td>$60,943</td>
</tr>
<tr>
<td>Paper Manufacturing</td>
<td>1,203</td>
<td>(105)</td>
<td>$59,457</td>
</tr>
<tr>
<td>Plastics and Rubber Products Manufacturing</td>
<td>1,073</td>
<td>(9)</td>
<td>$48,281</td>
</tr>
</tbody>
</table>

As in health care, jobs that typically require less than a bachelor’s degree account for a majority of projected openings in the manufacturing sector. Team assembler, an entry-level production occupation that represents 11.6 percent of manufacturing jobs in Hamilton County, continues to be in high demand. Projections are also strong for middle-skill stalwarts such as machinists and welders. Also, like health care, entry-level occupations are critical to the sector but often pay below a living wage. In addition to assemblers, these include production helpers and machine operators. The top 10 sub-bachelor’s degree manufacturing occupations (by annual openings) are shown below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Assemblers</td>
<td>3,396</td>
<td>$13.31</td>
<td>137</td>
</tr>
<tr>
<td>Machinists</td>
<td>639</td>
<td>$17.28</td>
<td>29</td>
</tr>
<tr>
<td>Welders, Cutters, Solderers, and Brazers</td>
<td>808</td>
<td>$18.58</td>
<td>28</td>
</tr>
<tr>
<td>Industrial Machinery Mechanics</td>
<td>710</td>
<td>$25.87</td>
<td>28</td>
</tr>
<tr>
<td>Packaging and Filling Machine Operators and Tenders</td>
<td>674</td>
<td>$11.48</td>
<td>23</td>
</tr>
<tr>
<td>Helpers—Production Workers</td>
<td>574</td>
<td>$11.28</td>
<td>18</td>
</tr>
<tr>
<td>Inspectors, Testers, Sorters, Samplers, and Weighers</td>
<td>595</td>
<td>$15.78</td>
<td>16</td>
</tr>
<tr>
<td>Assemblers and Fabricators, All Other</td>
<td>437</td>
<td>$12.45</td>
<td>14</td>
</tr>
<tr>
<td>First-Line Supervisors of Production and Operating Workers</td>
<td>885</td>
<td>$23.20</td>
<td>14</td>
</tr>
<tr>
<td>Meat, Poultry, and Fish Cutters and Trimmers</td>
<td>491</td>
<td>$10.41</td>
<td>10</td>
</tr>
</tbody>
</table>

In addition to the above occupations, industrial maintenance workers (which are typically coded as general maintenance workers) as well as logistics and distribution occupations such as material handlers and light truck drivers are commonly employed by manufacturing companies. However, a small share of these jobs are in the manufacturing sector. Anecdotally, a local industry association representative interviewed for this report indicated high employer demand for welding, industrial maintenance, and mechatronics workers.

Based on occupational demand in Hamilton County, the chart below illustrates what a career ladder, beginning with entry-level positions and demonstrating what avenues for advancement might look like.
### Occupation Jobs in Sector Median Hourly Earnings | Tasks
--- | --- | --- | --- |
**High-Skill**
First-Line Supervisors of Production and Operating Workers | 719 | $23.20 | ● Direct and coordinate the activities of employees  
● Ensure that operators conform to production standards
Industrial Machinery Mechanics | 433 | $25.87 | ● Repair and maintain machinery and equipment  
● Observe and test the operation of machinery to diagnose malfunctions

**Middle-Skill**
Welders, Cutters, Solderers, and Brazers | 577 | $18.58 | ● Weld components  
● Examine workpieces for defects and measure workpieces for conformance with specifications
Machinists | 506 | $17.28 | ● Machine parts to specifications  
● Calculate dimensions or tolerances
Maintenance and Repair Workers, General | 407 | $17.31 | ● Perform routine maintenance  
● Diagnose mechanical problems and determine how to correct them

**Entry Level**
Team Assemblers | 2,814 | $13.31 | ● Operate machinery and heavy equipment  
● Rotate through all the tasks required in a particular production process

Hamilton County Schools, working with Chattanooga State Community College and area employers, have developed career ladders in manufacturing and information technology. These ladders illustrate for students opportunities and requisite training for each occupation in a specific pathway, such as welding. The full collection of career ladders can be found at [www.hamiltontn.gov/Pathways/Default.aspx](http://www.hamiltontn.gov/Pathways/Default.aspx).

### Opportunity in Other Occupational Areas
While the health care and manufacturing sectors represent the highest concentration of sub-bachelor’s degree jobs offering living wages, there are additional high-demand occupations concentrated outside these sectors. The chart below shows the middle-skill occupations largely concentrated outside manufacturing and health care with the most projected openings over the next five years.

<table>
<thead>
<tr>
<th>Middle-Skill Occupation</th>
<th>2016 Jobs</th>
<th>Median Hourly Earnings</th>
<th>Annual Openings (2016–2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy and Tractor-Trailer Truck Drivers</td>
<td>4,978</td>
<td>$16.92</td>
<td>87</td>
</tr>
<tr>
<td>Maintenance and Repair Workers, General</td>
<td>2,343</td>
<td>$17.31</td>
<td>67</td>
</tr>
<tr>
<td>First-Line Supervisors of Office and Administrative Support Workers</td>
<td>2,333</td>
<td>$22.05</td>
<td>49</td>
</tr>
<tr>
<td>First-Line Supervisors of Retail Sales Workers</td>
<td>2,226</td>
<td>$16.49</td>
<td>48</td>
</tr>
<tr>
<td>Electricians</td>
<td>1,171</td>
<td>$21.31</td>
<td>37</td>
</tr>
</tbody>
</table>
CONTINUED FROM PREVIOUS PAGE

<table>
<thead>
<tr>
<th>Middle-Skill Occupation</th>
<th>2016 Jobs</th>
<th>Median Hourly Earnings</th>
<th>Annual Openings (2016–2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Representatives, Services, All Other</td>
<td>983</td>
<td>$20.02</td>
<td>34</td>
</tr>
<tr>
<td>Police and Sheriff's Patrol Officers</td>
<td>850</td>
<td>$18.38</td>
<td>32</td>
</tr>
<tr>
<td>Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products</td>
<td>1,478</td>
<td>$26.48</td>
<td>31</td>
</tr>
<tr>
<td>Insurance Sales Agents</td>
<td>874</td>
<td>$21.94</td>
<td>25</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>2,538</td>
<td>$16.26</td>
<td>24</td>
</tr>
</tbody>
</table>

The chart below reflects projected openings for entry-level workers, which are higher than that of middle-skill workers and generally concentrated in the Hamilton County’s sectors that are large but pay low wages. These sectors include accommodation and food services, retail, and administrative and support services.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiters and Waitresses</td>
<td>4,265</td>
<td>$9.57</td>
<td>243</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>6,691</td>
<td>$10.67</td>
<td>227</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>5,817</td>
<td>$13.40</td>
<td>176</td>
</tr>
<tr>
<td>Cashiers</td>
<td>4,220</td>
<td>$9.59</td>
<td>175</td>
</tr>
<tr>
<td>Combined Food Preparation and Serving Workers, Including Fast Food</td>
<td>5,417</td>
<td>$9.48</td>
<td>173</td>
</tr>
<tr>
<td>Laborers and Freight, Stock, and Material Movers, Hand</td>
<td>5,439</td>
<td>$12.05</td>
<td>158</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>3,463</td>
<td>$10.31</td>
<td>127</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>4,425</td>
<td>$13.40</td>
<td>98</td>
</tr>
<tr>
<td>Stock Clerks and Order Fillers</td>
<td>2,287</td>
<td>$10.94</td>
<td>97</td>
</tr>
<tr>
<td>Maids and Housekeeping Cleaners</td>
<td>2,520</td>
<td>$9.65</td>
<td>89</td>
</tr>
</tbody>
</table>

LOCAL BARRIERS AND ASSETS

Low-income residents face a number of challenges that hinder their ability to gain the skills needed to obtain the middle-skill positions that provide living-wage employment. In addition to lower incomes, these residents tend to have lower levels of educational attainment and experience poverty at higher rates. As Chattanooga builds targeted strategies for these residents, it is critical to understand the nature of their challenges in order to develop tailored, effective workforce development strategies that can improve their well-being and ability to contribute to Chattanooga’s economic growth.

LOCAL BARRIERS

What is hindering our progress?

The challenges, opportunities, and strategies described in this report are focused primarily on adults. While preparation for employment ideally begins in high school, or earlier, the focus for this report is on adults and older youth who are out of high school. Additionally, while a variety of stakeholders have focused on building pathways to college and careers from high school, there is considerably less attention paid to pathways for adults. However, adults need to be considered as an important talent
pool for growing workforce demands of employers in Chattanooga. Focusing solely on youth who are several years away from the workforce will not supply Chattanoogan industry with the talent that it needs today. Some of the primary challenges faced by low-income residents include:

**Lack of skills needed for living wage occupations.** The educational attainment of low-income Chattanoogans puts them at a severe labor market disadvantage. The previous discussion describes the increasing demand for workers with skills above a high school level. Currently, 29 percent of adults have a high school diploma as their highest level of credential and 17 percent have no high school credential, placing even entry-level employment out of reach for some.

In addition, stakeholders interviewed for this report describe a lack of employability, or "soft" skills among low-income Chattanoogans that limit their success in the workplace. These skills included everything from lack of basic computer literacy, to knowledge of workplace expectations (like arriving on time and skills involving communication and teamwork) to issues of drug use.

**Criminal records.** Stakeholders working with the lowest-income Chattanoogans cite criminal histories as a major barrier to employment for a significant portion of the low-income population. Employment practices that ban anyone with a criminal record without regard to level of offense or when it occurred leave many of these people with limited ability to support themselves or their families. This challenge is not unique to Chattanooga. Cities across the country are feeling the impact of changes in law enforcement practices and mandatory sentencing laws that began in the 1980s. As described in a report by the Urban Institute, "Increased involvement with the justice system tends to interfere with school completion and employment in a negative cascade." These negative consequences are particularly concentrated among poor and poorly educated Black men. Among male high school dropouts ages 20 to 40, the incarceration rate is 32.4 percent for Black men, compared with 6.0 percent for Hispanic men and 6.7 percent for White men.xxxii

**LOCAL ASSETS**

**What are we doing to address the needs?**

Chattanooga is home to a wide array of organizations and civic leaders who are dedicated to improving the quality of life for City residents. Organizations that are contributing to the economic health of Chattanoogans include social service agencies and community-based service providers committed to helping disadvantaged residents, educational institutions, and a host of others working to build the civic and economic infrastructure of the City. Many of these organizations have coalesced around Chattanooga 2.0 to organize strategies to build educational opportunity and economic success for Chattanoogans, supported by a robust philanthropic community and engaged civic leadership. The list of assets described below captures the major organizations or organizational types that the stakeholders interviewed believe could play an important role in a community-wide effort to ensure that all Chattanoogans benefit from the economic opportunities available in the City. Some but not all are already engaged in Chattanooga 2.0.

**EDUCATION AND TECHNICAL TRAINING**

*Chattanooga State Community College (ChattState).* ChattState is one of two public higher education institutions in the City offering a comprehensive array of degree and certificate programs. Under the leadership of a new president, ChattState administrators are instituting a variety of new programs and
supports to increase student retention and completion. These changes include reforming the system of developmental education, which provides remedial education to a large percentage of students who test below college level for reading and math upon entry. Reforms, like those newly implemented at ChattState, have been found at other colleges to increase the number of students who successfully complete college-level courses. In addition, ChattState has a wide array of certificate and degree programs that are aligned with labor market demand in key industries, including manufacturing and health care. Many of these programs have been developed with employer partners that offer apprenticeships and other opportunities for work-based learning. Finally, ChattState is engaged with some Chattanooga high schools offering the SAILS program to help students meet college-ready benchmarks; dual-enrollment programs; and career and technical education programs that offer college-level technical career courses.

Tennessee College of Applied Technology, Chattanooga (TCAT). TCAT is a significant asset that, with coordinated effort, could be used for greater benefit for low-income Chattanoogans. TCAT offers a range of certificates and degrees in high-demand technical fields and boasts an 80 percent completion rate. Some stakeholders expressed concern that its schedule—six hours per day—posed barriers for low-income residents with work and family responsibilities. While research supports the high-intensity nature of the TCAT schedule and TCAT has established a schedule with the needs of working students in mind, continued close collaboration with service providers and other community-based organizations may result in expanded access for residents most in need.

Tennessee Promise and Tennessee Reconnect. These statewide initiatives are tremendous assets that can be used to help more graduating seniors and adults enroll in college. Tennessee Reconnect, which provides free tuition to adults enrolling in TCAT, could be leveraged more effectively if it is promoted widely in the community and offered in combination with services to support residents through the application and career planning process. Currently, Tennessee Reconnect community advisors are not located within Southeastern Tennessee, so potential students will need to seek assistance from the advising departments of individual postsecondary institutions.

Apprenticeship Programs and Other Training for the Trades. A number of training programs, including apprenticeship programs, offer access to the trades. Several offer college credit in collaboration with ChattState. These programs include a five-year electrician’s apprenticeship program offered by the Chattanooga Electrical Joint Apprenticeship and Training Committee, a plumbing apprenticeship program offered by the Local 43 Pipefitters Union, and a program of the Chattanooga Iron Workers Local 704 Joint Apprenticeship and Training Committee. Impact 1 also offers training in construction.

Adult Basic Education. Many providers interviewed cited concern that access to the HiSET (formerly GED) preparation programs was limited and even more so recently, when the state of Tennessee discontinued its contract with ChattState and awarded it to TCAT Athens. Since that time, TCAT Athens has set up HiSET preparation and testing sites in locations around Chattanooga. Currently, HiSET prep classes are offered at the Northside Neighborhood House, Olivet Baptist Church, and Bethlehem Center. Sites for prep classes and HiSET exam include the Salvation Army East Lake, James A. Henry School, and Tennessee Career Center. Since the contract changed hands, the number of individuals in prep courses fell, and the TCAT Athens coordinator reports capacity exists for higher student enrollment.

OTHER SKILL-BUILDING AND EMPLOYMENT ASSISTANCE
Southeast Tennessee Development District and Tennessee Career Center. The Southeast Tennessee Development District (SETDD) is part of the public workforce development system overseen by the U.S. Department of Labor. It is charged with developing a strategic plan for workforce development in the region, planning for the use of federal job training funds, and overseeing the One-Stop Career Center, which is the Tennessee Career Center on Brainerd Road. The federal funds overseen by SETDD support training for unemployed and underemployed adults and youth who meet certain eligibility requirements. Through the Workforce Investment and Opportunity Act (WIOA), 75 percent of youth funding must be for out-of-school youth ages 16 to 24.

The Tennessee Career Center offers many resources for Chattanoogans seeking employment, including assistance with job search and career counseling. Some residents may also be eligible for education and training vouchers. The Career Center also offers workshops and classes that include interviewing skills and computer literacy as well as WorkKeys, an online system by ACT to measure reading, math, and other basic skills for employment. Additionally, Career Center staff offer basic computer courses in the community in collaboration with Tech Goes Home.

Given its oversight of all federal workforce development funding, and its mandated role under WIOA, SETDD is a critical partner for the City to engage as it works with stakeholders to develop a strategic set of workforce development efforts focused on low-income Chattanoogans. SETDD can help build partnerships with key employers and direct funding to fill gaps in the education and training offerings available in Chattanooga. In addition, the Career Center is an essential partner in service delivery and working more closely with community-based providers could help residents access more of their services.

Community-based providers. Many organizations in Chattanooga offer assistance preparing for and finding employment and a selection are listed below. Many community-based organizations work with employers to place individuals in entry-level positions. The chart below indicates the organizations that were most often discussed by stakeholders and/or where staff were interviewed and noteworthy aspects of their services. Each of these organizations offers a unique set of resources and specializations that could contribute to a coordinated effort to build skills and careers for more Chattanoogans.

Working together and with employers and technical training providers, these organizations could support the creation of more visible pathways that lead to advancement beyond entry level positions, play a crucial role in recruiting participants to education and training programs, and help support their success in those programs.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Noteworthy Services and Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech Goes Home</td>
<td>Provides digital literacy classes at locations citywide. Staff are able to tailor courses to the needs of the group and work with other organizations to offer specialized programming.</td>
</tr>
<tr>
<td>The Company Lab</td>
<td>Offers support for entrepreneurs through its LAUNCH program and can facilitate work-based learning opportunities for those interested in the tech sector. They are also seeking funding for a coding boot camp.</td>
</tr>
</tbody>
</table>
Goodwill | Has experience with supported/transitional work model for employment skill building. They have provided services to multiple populations, including persons with low skill levels, persons with criminal records, and individuals with disabilities.

Youth and Family Development Centers | Offers after-school programming for students and career development training for adults at 18 locations around the City. Their breadth and reach create great opportunity for recruitment into technical training programs and collaborative efforts to provide wrap-around supports and information to community residents.

Chattanooga Housing Authority | Offers job-readiness and soft-skill training. As a major property holders in areas of higher need, they have unique access to residents and avenues to offer services and information in collaboration with other organizations.

Building Stable Lives, United Way Chattanooga | Partners with neighborhood service providers in areas of higher need to offer individual coaching, computer access, job listings, resume and interviewing assistance, referral to education, and support finding housing. Provides one-time grants to meet emergency needs such as utility and rent payments, food needs, and many other emergency costs.

Hope for the Inner City | Provides soft-skills training, financial literacy, computer literacy, job placements for persons who are hard to serve, with particular niche serving those who may be involved in gang activity or have criminal backgrounds.

Father to the Fatherless | Offers adult male mentorship for young adult males, career development, financial literacy, case management, and mental health counseling.

Urban League | Operates the DOL-funded Youth Empowerment Program for youth referred by the court system. Offers career-readiness support and assistance with employment.

The Bethlehem Center | Offers HiSET classes, career-readiness support, assistance with housing, and other social services.

**CIVIC, PHILANTHROPIC, AND FAITH-BASED ORGANIZATIONS**

**Chattanooga 2.0.** This broad community initiative has coalesced community support and built considerable momentum around key strategies that would strengthen workforce development in Chattanooga.

**Philanthropies.** A few Chattanooga foundations and philanthropies focus efforts on Chattanoogans’ economic well-being, including the Benwood Foundation, a founder and leading voice in Chattanooga 2.0, and Public Education Foundation, which has also been highly engaged in that effort. The Public Education Foundation’s Summer Jobs Program is an important program to provide young people with experience and exposure to the workplace. It presents a model that could be scaled and adapted to older, out-of-school youth and others.

**Faith-based organizations.** Churches and other faith-based organizations are an important part of a workforce development strategy, as key institutions to conduct outreach, educate the community about opportunities, and support residents in their aspirations. Several stakeholders also mentioned that many churches house computer labs that could be used more strategically to offer training and other services in the target communities.
INDUSTRY ORGANIZATIONS AND EMPLOYER LIAISONS

The Chattanooga Chamber of Commerce. The Chamber represents a critical partner for the City as it works toward a coherent, strategic workforce development plan. The Chamber has the potential to serve as an important liaison to employers and convener of key players that can develop strong pipelines of talent for industry. In order for those liaison efforts to benefit Chattanoogans with the greatest need for upskilling and employment, the Chamber’s strategies must go beyond holding job fair to work more closely with community-based providers which are helping residents become job ready through development of employability, job search, and interviewing skills.

Other Industry Associations and Liaisons. Several other organizations represent and engage employers in workforce planning. They include the Tennessee Association of Manufacturers, which serves as a liaison between multiple employers and school-based career and technical education programs, and Auto Workforce Development Task Force, a newly formed task force established by the Mayor’s Office. The Minority Business Task Force, another group convened by the City, offers a variety of training and support for new business owners. These organizations are critical players in a coordinated strategy for workforce development.

The Enterprise Center. This organization is charged with managing efforts to build the Innovation District in Chattanooga. Importantly, they are also leading efforts to reach Chattanoogans that are not among the City’s new IT entrepreneurs. Tech Goes Home is one of their initiatives, which provides computer literacy courses citywide that can be adapted to the needs of specific cohorts of students (e.g., young people seeking employment and low-wage workers seeking advancement) and partnering organizations. Through CO.LAB and LAUNCH, they are supporting entrepreneurs throughout the City who are developing a wide array of local businesses.

OPPORTUNITIES

What could we be doing?

There are a number of opportunities that Chattanooga could pursue to establish a cohesive and effective workforce development plan for the City, including those modeled after successes from other cities’ approaches to assist low-income residents overcome barriers to employment. These strategies include those recommended by Chattanooga 2.0 as part of strategy #10 “Connect Residents with High-Demand Jobs,” ideas expressed by stakeholders, and national best practices. Appendix D includes additional detail.

A Coordinated System to Train Residents for High-Demand Jobs. Stakeholders involving community providers, educators, and others could work in a coordinated fashion with employers to identify high-demand jobs, recruit residents for education and training programs in those fields, and support residents to program completion and into the job. This coordinated system is a primary strategy of Chattanooga 2.0. By coordinating and linking their work, stakeholders involved in education, training, employment, and support services will have a greater impact than implementing stand-alone programs. The benefits to this approach include:

- Stronger pipelines to meet industry need and more stable employment for job seekers.
- More strategic use of community resources, such as the computer labs available in churches and in some of the Youth and Family Development Centers.
• Greater ability to identify and fill gaps in services and programs.

Such coordinated systems are commonly referred to as career pathways, defined as “well-articulated sequence[s] of education and training offerings.” Their features include multiple entry points that accommodate participants entering at differing skill levels; multiple exit points at successively higher levels of education and employment; and services to support people as they pursue training and employment. A set of career pathways, developed in high-demand industries and occupations, would describe explicitly how individuals would access the training needed for specific careers and services that are available to support their progression along the pathway, as in the illustration below.

**Strategy Spotlight**

Multiple cities across the country have developed career pathways as a requirement of the Workforce Investment and Opportunity Act. The law requires that state and local workforce agencies (Workforce Development Boards and One-Stop Career Centers) collaborate with adult education, postsecondary education, and other partners to establish career pathway systems. "Career pathway systems structure intentional connections among employers, Adult Basic Education, support service providers, occupational training, and postsecondary education programs, and design the systems to meet the needs of learners and employers." xxxvii

Two additional strategies recommended by Chattanooga 2.0 would provide important added resources to service providers as they support residents in their pursuit of education, training and well-paying jobs: xxxvi

1) **Re-Engage Adults with Some Post-Secondary Training.** As Chatt 2.0 states, “by fully leveraging existing federal and state programs, such as Tennessee Reconnect, the state’s support for adults with some college but no degree, and TCAT Wilder-Naifeh grant, which offers tuition-free technical training for adults at any Tennessee College of Applied Technology, we can help ensure
more adults have the access, information, and supports they need to successfully reconnect with our local institutions and complete their post-secondary education programs.

2) **Create Job Portal with Burning Glass data.** The Job Portal, to be developed by the Chamber of Commerce, will be “an information hub with consolidated job opportunities as well as specific skills and credentials required for these opportunities. The portal will serve as a centralized resource for students, job-seekers, educators, and college and career advisors to make more informed decisions about learning and career development.” The Job Portal would be an important tool for service providers working with residents to map out a path to credentials with labor market value and a job in a high-demand field.

### A Workforce Development Convener

Chattanooga would benefit from a formal convener to coordinate efforts among nonprofits, community agencies, education and training entities, and employers. They could help to build connections to increase recruitment for programs, guide strategy implementation, and lead collaborative efforts to secure funding. They could also help the community prioritize strategies, leverage resources, aggregate employer demand, and plan for systems and services, such as transportation.

In many cities, a city agency or community organization plays this role. The role of a convener would bring resources and networks of organizations to bear around the specific needs of Chattanoogans, especially low-income Chattanoogans. In other words, it would not replicate the work occurring now at Chattanooga 2.0, Chattanooga Chamber of Commerce, or Southeast Development District.

The convener would play a role similar to that of a workforce intermediary. These organizations help connect people to work, by working with groups of employers to identify their needs and with workers to help them obtain skills to become successfully employed by those employers. The following functions are common to high-performing intermediaries:

- Serving employers and workers, to address the needs of both employers and incumbent workers or jobseekers.
- Organizing multiple partners and funding streams, to enable employers to share the costs of training, and allow training providers to seek resources to meet the needs of community residents and employer partners within an industry.
- Projecting a vision to guide partnerships and activities, by mobilizing partners to achieve systemic reforms in workplaces, education and training providers, and policy.

### Strategy Spotlight

In Nashville, this convening role is played by the Mayor’s Office of Economic Opportunity and Empowerment, which “routinely engages community partners, efficiently leverages resources, and facilitates long-term planning and coordination to reduce poverty in Nashville.” It works in four subsectors: affordable housing, financial empowerment, workforce development, and homelessness.

Another model is presented by the Greater Memphis Alliance for a Competitive Workforce (GMACW), which was created to build a pipeline of high-skilled workers to address the needs of businesses in the Mid-South area. GMACW connects employers, educators, employment counselors, students, and jobseekers to build career pathways between the unemployed and the area’s high-skill openings. GMACW also documents employment pathways and works with education and training providers to align their programs to these pathways. Going beyond the role of convener, the organization publishes hiring trends, employer skill requirements, and the labor supply.

These examples are further described in Appendix D.
• Analyzing the local labor market to understand high-demand occupations, high-growth industries, and broader economic trends.
• Developing ways to advance the careers of lower-skilled workers by providing or brokering supportive services such as childcare and transportation assistance.

Integrated Adult Basic Education and Technical Training. A number of models integrate the development of foundational math and reading skills with technical training. Still others, like the one recommended by Chattanooga 2.0, offer “dual enrollment” in HiSET and TCAT programs at the same time. Such programs have been found to accelerate student progress and improve persistence over “stand alone” Adult Basic Education or developmental education.xxxviii

These models would be important to develop in Chattanooga, given the high number of individuals lacking high school credentials and students who score below “college-ready” benchmarks on placement tests.

Currently, many of the technical training programs available at TCAT and ChattState are inaccessible to residents without a high school diploma or equivalency. TCAT’s website notes that a diploma or equivalency is required for anyone seeking to cover their services with federal financial aid. Recently, a feature of the Higher Education Act called “Ability to Benefit” was reestablished to allow postsecondary programs to accept people who lacked a high school diploma if it can be shown that they can make effective progress in the program.xxxix Utilizing this provision would significantly expand opportunity to TCAT and ChattState programs for Chattanoogans.

“Bridge” Programs. “Bridge programs” provide services to prepare people for success in postsecondary programs such as certificate or degree programs at ChattState, TCAT, or elsewhere. Many of the current providers of employment services have the potential to expand their services to serve as bridge-to-college/postsecondary programs. Doing so would help create avenues to training that result in labor market credentials and higher-paying employment.

### Strategy Spotlight

One model for integrating foundational skills is known as Integrated Basic Education and Skills Training (I-BEST), which integrates basic math and reading instruction and technical training leading to college credit, certificates and degrees. Initially developed in Washington State, I-BEST has been replicated in 84 colleges in seven states, across 174 different pathways.

Research conducted by the Community College Research Center and the Workforce Training and Education Coordinating Board found that I-BEST students outperform similar students enrolled in traditional basic skills programs. I-BEST students are:

- Three times more likely to earn college credits
- Nine times more likely to earn a workforce credential
- Earn an average of $2,310 more per year than similar adults not in I-BESTxlii
Locating Programs in More Accessible Locations. Chattanooga could identify locations to offer the services of the Tennessee Career Centers and certain courses of ChattState and TCAT downtown and/or in neighborhoods most in need. Many stakeholders spoke of the inaccessibility of these programs, given the geographic spread of Chattanooga and the transportation challenges faced by many residents. Stakeholders have indicated that there has been a great deal of discussion with ChattState and TCAT about offering some courses at a location closer to downtown or neighborhoods most in need. While ChattState officials have noted that moving training programs that require large lab spaces and heavy, expensive equipment is not feasible, they have indicated willingness to consider locating prerequisite courses to neighborhood locations. What seems to be lacking is a champion who can galvanize supporters to work out the logistical details, implement a plan, and determine a source of funding.

Stakeholders also noted that the Tennessee Career Center is an underutilized resource. Staff there expressed openness to bringing services to specific geographic areas. They are currently offering computer classes at Tech Goes Home sites and have a “mobile career center” that could be brought to a neighborhood location upon request. Given the training vouchers they manage and their extensive connections to employers and other resources, they need to become a more integral player in a strategy to support low-income Chattanoogans.

Apprenticeship Programs. As noted above, Chattanooga has a number of apprenticeship programs and the city could work with unions, employers and ChattState to expand them. Many of these programs offer contextualized math and reading along with technical skills training. Apprenticeship programs are widely viewed as extraordinarily effective paths to middle- and high-wage employment. Stronger collaboration between providers working with low-income residents and unions and employers offering these programs could be an important part of a workforce development strategy.

Pathways and Services for those with Criminal Backgrounds. A number of Chattanooga providers currently serve residents with criminal backgrounds. As pathways are developed for other residents, alternative strategies will have to be developed for this population. Some of the community-based providers in Chattanooga do work to find employment for this population, but often these jobs pay low wages.
Strategies that use low-wage, temporary jobs as “transitional jobs” while individuals build their technical and employability skills should be explored for this population (see graphic below). A transitional jobs strategy could also be an important strategy for other individuals, such as those with very low basic skills and no job experience. Goodwill in Chattanooga is experienced with the transitional jobs model and uses it for people with multiple barriers, including those with disabilities and criminal records. In addition, some cities, including Memphis, are working with employers to modify hiring practices for this population, a strategy Chattanooga could consider.\footnote{The Center for Employment Opportunities (www.ceoworks.org) is a nationally known model that has been found to reduce recidivism among ex-offenders involved in the program. In a transitional job, individuals gain valuable work experience and earn wages as they are building skills for permanent employment.}

Collaborative Funding Strategies. Working together, stakeholders could pursue funding to fill gaps in programming and scale effective efforts. Grant programs of the U.S. Departments of Labor, Education, Commerce, Housing and Urban Development, and others frequently support workforce development efforts in low-income communities and often seeks partnerships among broad community stakeholders, including schools, institutions of higher education, and employers. Many of the organizations listed among Chattanooga’s assets are funded by these sources, but could be more competitive by proposing a larger project with multiple partners and greater scope. Organizations could also collaboratively pursue state and private sources of funding. One such source is Tennessee LEAP, a grant program of the Drive to 55 Alliance designed to encourage collaboration between educators and industry by supporting local “alignment groups.”

Chattanooga should also make sure that it is fully using public resources available to students, especially Tennessee Reconnect and Tennessee Promise. Tennessee Reconnect could cover the costs of education
and training for a substantial number of Chattanoogans, if a targeted effort was made to recruit adults who are eligible.

SECTION 3 – BRIDGING THE GAP

To respond to the challenges and barriers facing the City today – growing income inequality and wage stagnation; low educational attainment; lack of employable workforce; higher unemployment among minority populations; increasing population that is housing insecure; and limited access to opportunity – Chattanooga cannot continue with business as usual, and expect to keep pace with the increasing need for access to affordable homes, safe neighborhoods and an employable workforce. The process of linking affordable housing and workforce development strategies must begin with an understanding of the challenges and barriers, assets and opportunities, and how place intersects these challenges and opportunities. By understanding the relationship between various workforce development and housing market conditions and other social challenges, the City will be able to make the necessary strategy adjustments and shift the focus from isolated programs and policies, to coordinated cross-sector strategies and partnerships that promote access to opportunity.

This section of the report bridges the gap between affordable housing and workforce development strategies using the Communities of Opportunity Index and vision statements to establish common challenges and goals between both sectors, and proposes an opportunity typology and strategy roadmap to effectively align cross-sector strategies and financing with neighborhood conditions in order to provide greater access to opportunity for the City’s hard-to-house and hard-to-employ population.

ALIGNING VISIONS

“Chattanooga is now one of the best places in America to live, work and start a business, and the jobs are arriving.” – Chatt 2.0

“If we want Chattanooga to sustain its economic success and improved quality of life, now is the time to set a bold vision for the future of Chattanooga and work together to make it a reality”. – Chatt 2.0

With these statements, Chattanooga 2.0 acknowledges the inherent linkage between housing, workforce, and quality of life, and the bold vision required to ensure those linkages are a reality for all residents. These statements also reinforce the dichotomy between the current economic trajectory of the City, highlighted by the looming job growth, and the limited benefit of this growth for the City’s hard-to-house and hard-to-employ population. The following summarizes common challenges and goals between the affordable housing and workforce development sectors, visions for both sectors developed with the City and key stakeholders, and the alignment of these respective visions.
Common Challenges:
1. Serving hard-to-house and hard-to-employ populations
2. Coordinating cross-sector strategies
3. Access to transportation, training, education
4. Targeting limited resources

Common Goals:
1. Serving hard-to-house and hard-to-employ populations
2. Improving access to opportunity

City staff and local stakeholders, in collaboration with the project team, developed the following visions for affordable housing and workforce development during a daylong workshop on October 21, 2016.

Affordable Housing Vision

“Creating connected places by increasing access to opportunity for all residents.”

Workforce Development Vision

“Chattanooga will develop confident and engaged residents who can be successful in a culture of opportunity offering transparent pathways and living wages, and who meet the skill needs of employers in a thriving economy.”

~ Chattanooga Stakeholders

Common Vision
The City should finalize its visions for affordable housing and workforce development and consider a common vision statement that integrates both sectors. A sample combined vision statement is provided below.

“Creating connected places by increasing access to opportunity for all residents.”
LINKING STRATEGIES
The previous sections of this report established that affordable housing and workforce development challenges are largely associated with the same hard-to-house and hard-to-employ population and as discussed in more detail below, in similar geographic locations, such as areas classified as “Losing Connectivity” and “Opportunity Limited” within the Communities of Opportunity Strategy Roadmap. In addition to connecting strategies with specific populations and places, affordable housing and workforce development strategies should be linked programmatically, increasing their collective impact.

The following table illustrates how linkages between affordable housing and workforce development strategies can be established to provide greater access to opportunity for the City’s hard-to-house and hard-to-employ population.

<table>
<thead>
<tr>
<th>Affordable Housing Strategies</th>
<th>Linkages</th>
<th>Workforce Development Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritize access to opportunity in development solicitations, RFPs, and financing mechanisms, including: CDBG; HOME; the Housing PILOT Program; and AHT</td>
<td>Requiring developers to consider how their projects increase access to opportunity, the City can facilitate these connections to services</td>
<td>Build a coordinated system of connections between education and training opportunities, employers, and support services</td>
</tr>
<tr>
<td>Prioritize mixed-use developments that offer incubator or training space onsite so to accommodate modular training programs</td>
<td>Use flex space to bring modular training and educational programs to neighborhoods throughout the City</td>
<td>Develop programs that address basic skill needs in the context of technical training</td>
</tr>
<tr>
<td>Target brownfield sites for innovative reuse strategies including combined education, incubator and training facilities; or temporary installations</td>
<td>Brownfield sites may provide low-cost options for locating employment and training services or facilities throughout the City</td>
<td>Work to bring TCAT, ChattState, post-secondary “bridge” programs, and other employment and training services to neighborhood center locations</td>
</tr>
<tr>
<td>Identify and align diverse financing mechanisms to support affordable housing development, including private sector resources</td>
<td>Where feasible, combine affordable housing and workforce development strategies and outcomes when pursuing public and private funding (i.e., Choice Neighborhoods, MTW, etc.)</td>
<td>Work collaboratively to secure funding</td>
</tr>
<tr>
<td>Establish a role and structure for the Housing Task Force to drive strategies</td>
<td>Make hard-to-house and hard-to-employ populations a priority; and integrate Chattanooga 2.0 and Housing Task Force meetings and priorities</td>
<td>Designate a specific organization that would be responsible to convene partners around workforce development and build a cohesive strategy</td>
</tr>
<tr>
<td>Establish an NRSA to target public resources to implement a cross-sector approach, focused on increasing access to opportunity</td>
<td>ECD could establish an NRSA to overlap with Community Renewal Cluster, leveraging the NRSA flexibilities to pursue economic, housing, and service related strategies</td>
<td>Pilot these strategies through Chattanooga 2.0’s Community Renewal Cluster</td>
</tr>
</tbody>
</table>
DEVELOPING A ROADMAP
The NRN team developed an opportunity-based neighborhood typology to categorize neighborhood conditions, and a roadmap to align the appropriate strategies, financing, and policies to facilitate the integration of affordable housing and workforce development initiatives.

An Opportunity Typology
The housing market conditions and needs (and related challenges) present an opportunity for the City to develop a more strategic approach to how it produces and preserves affordable housing, and encourages greater access to opportunity through coordinated workforce development programs. These conditions also present an opportunity for the City to align resources in ways that support not only housing development, but also support public safety efforts, infrastructure upgrades, transportation access, and education and training. Applying the *Communities of Opportunity Index*, the NRN team developed the following neighborhood typology which categorizes areas of the City in terms of access to opportunity.

1. **Opportunity Rich.** Rental and ownership housing options are more expensive than in the rest of the City, but residents living in these areas can own or rent housing without severe cost-burdens or other housing problems. This is likely because residents have higher incomes, relative to the citywide median. Very few of the City's total federally assisted units are located in these areas and the built environment is not comfortable for persons on foot, making these areas difficult to access for those who have lower incomes or are transit-dependent.

2. **Emerging Opportunity.** These areas exhibit similar characteristics to Opportunity Rich areas, but suggest more needs related to economic mobility and inclusion, based on a higher rate of unemployment and fewer households with a high school diploma. These areas also have a higher share of households identifying as non-White, making them more likely to experience housing insecurity, and a higher share of households living in poverty.

3. **Tipping Point.** Some, but not all, residents living in these areas can own or rent housing without severe cost-burdens, and these households experience average rates of housing problems. Residents have incomes in line or slightly higher than the citywide median, but some residents
lack the education to advance to higher-income jobs. These areas need a mix of strategies, tailored to the characteristics that fall below the citywide average, namely related to health, and to help preserve and broaden the opportunity that already exists in these places.

4. **Losing Connectivity.** These areas have a locational advantage related to job access, since they are clustered in and around Downtown Chattanooga. Housing options are less expensive compared to other parts of Chattanooga, but residents living here cannot own or rent housing without severe cost-burdens or other housing problems. Residents tend to have incomes lower than the citywide median, lower levels of educational attainment, limited access to healthcare services and poorer physical health.

5. **Opportunity Limited.** These areas exhibit the highest rates of need across most dimensions of opportunity, excepting transit and infrastructure. These areas, like areas that are Losing Connectivity, have a pedestrian-friendly environment. These areas need a comprehensive, cross-sector approach to address issues related to housing insecurity and vulnerability, economic mobility and inclusion, and health, and become communities of opportunity. These areas have the most affordable housing options for both renters and owners.

The above opportunity types define the range of neighborhood conditions within Chattanooga, inclusive of all five dimensions of the index. The opportunity types and neighborhood conditions inform how to apply and integrate affordable housing and workforce development strategies to address access to opportunity in these areas.

**Aligning Strategies, Policies and Financing Mechanisms**

The Communities of Opportunity Strategy Roadmap, included as Appendix E, aligns affordable housing and workforce development investments, strategies and policies with neighborhood conditions identified through the opportunity typology, to promote access to opportunity for Chattanooga’s hard-to-house and hard-to-employ population.

This roadmap was reviewed and discussed by more than 35 affordable housing and workforce development stakeholders during the “Bridging the Gap” workshop in October 2016. As part of this workshop, each sector was asked to identify ways to collaborate with the other sector (i.e., affordable housing with workforce development and vice versa). These stakeholders largely affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could start this effort.

While the Communities of Opportunity Strategy Roadmap outlines a range of strategies related to building or preserving opportunity citywide, stakeholders, especially workforce development stakeholders, expressed a need to focus on areas with the highest levels of need, evidenced by higher rates of unemployment, lower of educational attainment, and limited transit and job access—in short, in areas classified as “Losing Connectivity” or “Opportunity Limited” within the typology. The following workforce development strategies are most applicable to these areas:

- Bring TCAT, ChattState, college “bridge” programs and other employment and training services to neighborhood locations. See Appendix F for more information about bridge programs and integrated basic adult education and technical training.
- Prioritize Chatt 2.0 initiatives, namely Community Renewal Clusters.
• Identify pathways and services for those with criminal backgrounds and working in lower-skilled jobs (ideally in partnership with a community-based organization). See Appendix F for more information about career pathways, among other workforce development strategies.

Within the “Losing Connectivity” or “Opportunity Limited” types, affordable housing stakeholders recognized a need to focus on economic mobility, in addition to housing security (and health as well as in Opportunity Limited areas), through cross-sector investments. These stakeholders prioritized the following strategies within “Losing Connectivity:”

• Create a Community Development Corporation.
• Preserve workforce housing.
• Pursue large-scale energy retrofits.

They prioritized the following strategies within “Opportunity Limited:”

• Build a coordinated system of connection to education & training.
• Improve quality of existing housing.

Within these areas, stakeholders also recognized a need to support public safety efforts and neighborhood organizing to build local leadership to guide this work—and noted the need to act quickly since rising costs (particularly in Losing Connectivity) could hinder some of these strategies. They also recommended integrating workforce development programs with Youth and Family Development Centers. Priority strategies for affordable housing across the entire typology are summarized in Table 1 in Appendix F.

The Communities of Opportunity Strategy Roadmap forms the basis for continued collaboration between these sectors and can help involve more stakeholders in comprehensively addressing needs and unlocking new or existing assets within these specific areas throughout Chattanooga.
REFERENCES

i LEHD data from 2009 to 2014 suggests that the number of residents commuting into Chattanooga for work grew by 15 percent, and the number of residents commuting elsewhere to work also fell slightly by 2 percent. The City posted a 3 percent increase in population and 1 percent increase in labor force participation between 2009 and 2015 (American Community Survey 1-Year Estimates, 2009 and 2015).


iii http://www.rooflines.org/3725/good_local_housing_policy_is_good_economic_development_policy/


v The analysis uses a combination of national datasets, including the 2014 American Community Survey 5-Year Estimates, 2000 Decennial Census, National Housing Preservation Database, and 2012 U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS), and HUD’s AFFH Online Mapping Tool. Additional local data, gathered from the City’s Office of Economic and Community Development, CARTA, and Chattanooga Open Data Portal, supplemented these national datasets. In evaluating housing market trends and conditions the NRN team sought to understand the magnitude of housing needs citywide and within specific Census Tracts (or neighborhood boundaries when possible), and how these housing needs intersect with opportunity. The analysis of citywide trends used City boundaries and Census Tracts as the primary units of analysis. Where possible, data is explained according to the neighborhood association boundaries. To explain how housing needs and supply and access to opportunity relate to local neighborhood association boundaries, these boundaries were overlaid on Census Tracts. All values reflect the underlying data at the tract-level. The only exception is market activity which is summarized at the neighborhood association boundary level. Market activity was measured by residential building permits including demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs $10,000 or higher between 2010 to present. Residential building permits information was downloaded from the Chattanooga Open Data Portal.

vi These trends suggest housing costs for renters within Hamilton County and statewide largely tracked with income over time. Even though the state experienced an overall drop in median income (2 percent), income and rental housing costs have largely tracked since 2000, resulting in no change in housing costs for renters across the state. Median housing costs are from the U.S. Census Bureau Decennial Census (1990; 2000) and American Community Survey Five-Year Estimates (2014). Change from 1990 to 2014 was calculated as percent change using 1990 as the base year and values are adjusted for inflation.

vii U.S. Census Bureau Decennial Census (1990; 2000) and American Community Survey Five-Year Estimates (2014). Change from 1990 to 2014 was calculated as percent change using 1990 as the base year and values are adjusted for inflation.

viii “Cost-burden” refers to households paying 30 percent or more of their income toward housing costs each month. American Community Survey One-Year Estimates (2009–2014).


x American Community Survey Five-Year Estimates (2014).


xii American Community Survey 5-year Estimates (2014). Maximum rent for each income level was calculated using HUD’s methodology for cost-burden.

xiii Personal communication with Chattanooga Housing Authority. (2016).
Subsidized units includes project-based Section 8 vouchers, low-income housing tax credits, HOME, and HUD-insured properties, among others. Expiration date based on the unit’s “year of the earliest housing subsidy expiration” from the National Housing Preservation Database. (2016).


Market activity was measured by residential building permits per square mile. Permits included demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs $10,000 or higher between 2010 to present. Residential building permits information was downloaded from the Chattanooga Open Data Portal and normalized using the area of the Census Tract (as calculated in ArcMap). It was also analyzed by neighborhood association boundaries.

Analysis used the General Transit Feed Specification (GTFS) data provided by CARTA. To calculate transit frequency by stop, this analysis extrapolated number of stops per week per 15-minute intervals.

CARTA identified as the City’s “high-frequency” route in an interview with the NRN project team. The number of assisted and housing insecure households living within one-quarter mile of Route 4 was calculated for all routes tracked through GTFS; this data source omits special routes, such as shuttles to the Volkswagen Plant.

These neighborhood association boundaries intersect Tracts 11, 31, and 30, which have the highest transit coverage for housing insecure households respectively.

Incidence of violent crime per 100 persons was measured using crime data from the Chattanooga Open Data Portal and normalized using population estimates from the American Community Survey (2014). It includes founded police incidents of Part 1 violent crimes from 2010 to present.

These neighborhood association boundaries intersect with Tracts 16, 19, and 25, have the highest shares of assisted households respectively.

These neighborhood association boundaries intersect with Tracts 7 and 109.03, have the highest shares of housing insecure renters respectively. This trend also holds for housing insecure owners: The Census Tracts (104.11, 114.47, and 109.02) with the highest concentrations of housing insecure owners also tend to live in safer areas.

Under this rule, every HUD grantee will submit an Assessment of Fair Housing that sets goals and priorities based on local data and community participation. Implementation of these activities will be supported by local, state, and federal resources, as articulated in the City’s upcoming Consolidated Plan for federal formula block grant program funds.


U.S. Census Bureau, American Community Survey, 2015 1 year estimate.

Poverty rates decreased 3.9 percent nationally and 5.6 percent statewide during the same period. 2010-15 American Community Survey (ACS) 1-Year. Poverty Status in the Past 12 Months.

Poverty rates decreased 3.9 percent nationally and 5.6 percent statewide during the same period. U.S Census Bureau. 2010-15 American Community Survey (ACS) 1-Year Estimate. American Community Survey (ACS). “Poverty Status in the Past 12 Months.” Available at: www.factfinder.census.gov.

Chattanooga Area Chamber. 2015. “Major Employers List.” Available at: http://www.chattanoogachamber.com/media/majemp.pdf
Annual Openings estimates the number of openings per year over the same period. To demonstrate how this metric works, imagine an occupation with 100 jobs today that is projected to grow by 10 percent over the next five years. We would anticipate that occupation to have 110 jobs five years from now. But if 40 percent of the initial 100 workers left during the five-year period due to retirement and other factors, there would be 40 additional openings to fill. Annual Openings, by combining the projected change in jobs with replacement jobs, estimates the number of openings in a given occupation per year.


“Building the Smartest Community in the South,” p. 21.


The NRN team facilitated a visioning process incorporating all five dimensions of the Communities of Opportunity Index and used a word cloud activity to guide the City’s development of a vision for affordable housing.
What is **affordable housing**?
When a household pays no more than 30% of their monthly income on housing costs, including utilities.

**Renter costs**
- 57%

**Owner costs**
- 1%

**Income**
- 3%

**Change: 1990–2014**
- $36,683
- $794 Median rent

**What is an affordable rent?**
- $992
- $746 Median rent
- $496
- $298

**Housing stock**
- 62% of housing is single-family detached

**Job sectors - Hamilton Co.**
1. Healthcare
2. Manufacturing
3. Accommodation / food services
4. Retail trade
5. Administrative services
6. Transportation / warehousing

**Educational attainment**
- 16% Less than high school
- 27% High school
- 24% Some college
- 7% Associate’s Degree
- 27% Bachelor’s Degree or higher

**Unemployment**
- 9% Unemployment rate among all residents
- 5% Unemployment rate among White residents
- 16% Unemployment rate among Black residents

While Chattanooga has been prospering in many ways, the benefits of new job growth and real estate development have not been shared by all Chattanoogans. Some residents still pay too much for housing and lack access to job opportunities. Through cross-sector collaboration, the City and its partners can build communities of opportunity and ensure all Chattanoogans benefit from the City’s growing prosperity.

## Appendix B - Comparison of Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Median Age</th>
<th># of Companies</th>
<th>% HS graduate or higher</th>
<th>Total Housing Units</th>
<th>Vacancy</th>
<th>% Housing Built Before 1980</th>
<th>% Renter-Occupied</th>
<th>Median Rent</th>
<th>% in Median Rent</th>
<th>% in Median HH Income</th>
<th>Share or Renters Paying 30% of Income or More on Housing</th>
<th>% of People Below the Poverty Level</th>
<th>Unemployment Rate</th>
<th>% of Residents Commuting Out of City for Work</th>
<th>Largest Industry</th>
<th>Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chattanooga, TN</td>
<td>167,674</td>
<td>31.4</td>
<td>16,348</td>
<td>84.5%</td>
<td>80,536</td>
<td>13.2%</td>
<td>67.1%</td>
<td>46.7%</td>
<td>$769</td>
<td>$769 $743 $806 $860 $711 $745 $891 $891</td>
<td>$769 $743 $806 $860 $711 $745 $891</td>
<td>51.9%</td>
<td>10.7%</td>
<td>54.7%</td>
<td>Educational services, and health care and social assistance</td>
<td>19.7%</td>
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<td>Birmingham, AL</td>
<td>212,237</td>
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<td>83.9%</td>
<td>111,233</td>
<td>20.2%</td>
<td>72.9%</td>
<td>51.5%</td>
<td>$743</td>
<td>$743 $782 $723 $731 $731 $753 $753 $745</td>
<td>$743 $782 $723 $731 $731 $753 $753 $745</td>
<td>58.5%</td>
<td>15.5%</td>
<td>58.2%</td>
<td>Educational services, and health care and social assistance</td>
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<td>Charleston, SC</td>
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<td>12.5%</td>
<td>47.5%</td>
<td>31.0%</td>
<td>$896</td>
<td>$896 $896 $896 $896 $896 $896 $896 $896</td>
<td>$896 $896 $896 $896 $896 $896 $896 $896 $896</td>
<td>22.5%</td>
<td>22.5%</td>
<td>48.7%</td>
<td>Educational services, and health care and social assistance</td>
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<tr>
<td>Savannah, GA</td>
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<td>15.4%</td>
<td>46.5%</td>
<td>19.0%</td>
<td>$705</td>
<td>$705 $705 $705 $705 $705 $705 $705 $705</td>
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<td>52.4%</td>
<td>20.2%</td>
<td>57.7%</td>
<td>Educational services, and health care and social assistance</td>
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<td>Columbus, GA</td>
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<td>83,212</td>
<td>11.5%</td>
<td>56.8%</td>
<td>30.1%</td>
<td>$826</td>
<td>$826 $826 $826 $826 $826 $826 $826 $826</td>
<td>$826 $826 $826 $826 $826 $826 $826 $826 $826</td>
<td>52.4%</td>
<td>20.2%</td>
<td>55.7%</td>
<td>Educational services, and health care and social assistance</td>
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<tr>
<td>Huntsville, AL</td>
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<td>77.2%</td>
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<td>$689 $689 $689 $689 $689 $689 $689 $689</td>
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<td>61.1%</td>
<td>17.2%</td>
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<tr>
<td>Jackson, MS</td>
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<td>19,158</td>
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<td>90,377</td>
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<td>$771</td>
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<td>$771 $771 $771 $771 $771 $771 $771 $771 $771</td>
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<td>58.3%</td>
<td>Educational services, and health care and social assistance</td>
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<td>Knoxville, TN</td>
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<td>6.9%</td>
<td>56.3%</td>
<td>55.7%</td>
<td>$723</td>
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<td>$723 $723 $723 $723 $723 $723 $723 $723 $723</td>
<td>54.8%</td>
<td>7.9%</td>
<td>51.4%</td>
<td>Educational services, and health care and social assistance</td>
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<tr>
<td>Springfield, MO</td>
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<td>27,626,360</td>
<td>86.3%</td>
<td>132,741,033</td>
<td>7.6%</td>
<td>56.3%</td>
<td>52.4%</td>
<td>$989</td>
<td>$989 $989 $989 $989 $989 $989 $989 $989</td>
<td>$989 $989 $989 $989 $989 $989 $989 $989 $989</td>
<td>54.8%</td>
<td>7.9%</td>
<td>51.4%</td>
<td>Educational services, and health care and social assistance</td>
<td>7.6%</td>
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<tr>
<td>United States</td>
<td>308,745,838</td>
<td>37.4</td>
<td>27,626,360</td>
<td>86.3%</td>
<td>132,741,033</td>
<td>7.6%</td>
<td>56.3%</td>
<td>52.4%</td>
<td>$989</td>
<td>$989 $989 $989 $989 $989 $989 $989 $989</td>
<td>$989 $989 $989 $989 $989 $989 $989 $989 $989</td>
<td>54.8%</td>
<td>7.9%</td>
<td>51.4%</td>
<td>Educational services, and health care and social assistance</td>
<td>7.6%</td>
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## Appendix B - Comparison of Cities

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<thead>
<tr>
<th></th>
<th>Chattanooga, TN</th>
<th>Birmingham, AL</th>
<th>Charleston, SC</th>
<th>Savannah, GA</th>
<th>Columbus, GA</th>
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<tr>
<td></td>
<td>Total renter households</td>
<td>Total units affordable to renter households</td>
<td>Housing Gap</td>
<td>Total renter households</td>
<td>Total units affordable to renter households</td>
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<tr>
<td>0-30% HAMFI</td>
<td>8,785</td>
<td>4,880</td>
<td>3,905</td>
<td>16,690</td>
<td>8,245</td>
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<td>14,640</td>
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<td>23,220</td>
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<td>(6,700)</td>
<td>33,600</td>
<td>43,855</td>
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<tr>
<td>0-30% HAMFI</td>
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<td>4,880</td>
<td>3,905</td>
<td>16,690</td>
<td>8,245</td>
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<tr>
<td>31-50% HAMFI</td>
<td>5,855</td>
<td>5,995</td>
<td>(140)</td>
<td>8,635</td>
<td>14,975</td>
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<td>6,340</td>
<td>16,805</td>
<td>(10,465)</td>
<td>8,275</td>
<td>20,635</td>
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</table>
### Appendix B - Comparison of Cities

<table>
<thead>
<tr>
<th></th>
<th>Huntsville, AL</th>
<th>Jackson, MS</th>
<th>Knoxville, TN</th>
<th>Springfield, MO</th>
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<tr>
<td></td>
<td>Total renter households</td>
<td>Total units affordable to renter households</td>
<td>Housing Gap</td>
<td></td>
</tr>
<tr>
<td>0-30% HAMFI</td>
<td>8,560</td>
<td>4,720</td>
<td>3,840</td>
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<tr>
<td>0-50% HAMFI</td>
<td>14,950</td>
<td>19,825</td>
<td>(4,875)</td>
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<tr>
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<td>4,720</td>
<td>3,840</td>
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<td>4,780</td>
<td>4,810</td>
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<td>4,780</td>
<td>4,810</td>
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<td>6,495</td>
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<td>20,630</td>
<td>15,790</td>
<td>4,840</td>
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<td>30,700</td>
<td>38,715</td>
<td>(8,015)</td>
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<td>12,965</td>
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<td>6,495</td>
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<tr>
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<td>5,605</td>
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<td>3,470</td>
<td>5,605</td>
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<td>7,700</td>
<td>12,255</td>
<td>(4,555)</td>
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<td>8,395</td>
<td>21,070</td>
<td>(12,675)</td>
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Figure 1. Change in median income and renter housing costs (1990-2014), Chattanooga, TN

Source: 2010-2014 American Community Survey 5-year Estimates
Change calculated as the percent change from 1990 base year, adjusted for inflation.
Figure 2. Change in median income and owner housing costs (1990-2014), Chattanooga, TN

Change in median homeowner costs & income, Chattanooga, TN
1990-2014

Source: 2010-2014 American Community Survey 5-year Estimates
Change calculated as the percent change from 1990 base year, adjusted for inflation.
APPENDIX C – Detailed Data Tables and Maps

Figure 3. Affordable units for low-income renters, Chattanooga, TN

Source: 2010-2014 American Community Survey 5-year Estimates

Figure 4. Characteristics of housing insecure households, Chattanooga, TN

Source: 2010-2014 American Community Survey 5-year Estimates
Maps

Map 1a. Areas with the highest share of cost-burdened renters relative to all cost-burdened households, Chattanooga, TN

Source: 2008-2012 CHAS
Map 1b. Areas with the highest share of cost-burdened owners relative to all cost-burdened households

Cost-burdened households, Chattanooga, TN

Source: 2008-2012 CHAS
Map 2a. Areas with the highest share of housing insecure renters relative to all housing insecure households, Chattanooga, TN

Source: 2010-2014 American Community Survey 5-year Estimates
APPENDIX C – Detailed Data Tables and Maps

Map 2b. Areas with the highest share of housing insecure owners relative to all housing insecure households, Chattanooga, TN

Housing insecure households, Chattanooga, TN

Low-income households paying 50% or more on housing costs

- 15% or below
- 16 - 25%
- 26 - 35%
- 36 - 50%
- 51% and above

<table>
<thead>
<tr>
<th>Neighborhood Association</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>21st Century</td>
<td>1</td>
</tr>
<tr>
<td>Alcoa Rd</td>
<td>2</td>
</tr>
<tr>
<td>Audubon</td>
<td>3</td>
</tr>
<tr>
<td>Bellevue</td>
<td>4</td>
</tr>
<tr>
<td>Brainerd Mirror</td>
<td>5</td>
</tr>
<tr>
<td>Brainerd Park North</td>
<td>6</td>
</tr>
<tr>
<td>Browne Ferry</td>
<td>7</td>
</tr>
<tr>
<td>Concord Highland</td>
<td>8</td>
</tr>
<tr>
<td>Eastside</td>
<td>9</td>
</tr>
<tr>
<td>Fennos Good Heights</td>
<td>10</td>
</tr>
<tr>
<td>Herrell</td>
<td>11</td>
</tr>
<tr>
<td>Kingsridge</td>
<td>12</td>
</tr>
<tr>
<td>Lake Hills</td>
<td>13</td>
</tr>
<tr>
<td>Lookout Valley</td>
<td>14</td>
</tr>
<tr>
<td>N. Braided Sunshine</td>
<td>15</td>
</tr>
<tr>
<td>North Keystone</td>
<td>16</td>
</tr>
<tr>
<td>Oak Town Blvd</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: 2010-2014 American Community Survey 5-year Estimates
Map 3. Transit frequency by stop, Chattanooga, TN

Transit frequency by stop, Chattanooga, TN

Total jobs
- 1,000 or fewer
- 1,001 - 5,000
- 5,001 - 10,000
- More than 10,000

Bus stops by frequency
- 15 Minutes
- 30 Minutes
- 45 Minutes
- 60 Minutes
- More Than 60 Minutes

Sources: 2010-2014 American Community Survey 5-year Estimates; National Housing Preservation Database, and GTFS via CARTA.
Maps 4a-4b. Transit coverage for assisted households, Chattanooga, TN; High-frequency coverage for assisted households, Chattanooga, TN
APPENDIX C – Detailed Data Tables and Maps

High-frequency transit coverage, Chattanooga, TN

Sources: 2010-2014 American Community Survey 5-year Estimates; National Housing Preservation Database, and GTFS via CARTA.
APPENDIX C – Detailed Data Tables and Maps

Map 5a-5b. Transit coverage for housing insecure households, Chattanooga, TN; High-frequency coverage for housing insecure households, Chattanooga, TN

Transit coverage, Chattanooga, TN

1 dot = 1 housing insecure household
1/8 mile along CARTA routes.

Total jobs

- 1,000 or fewer
- 1,001 - 5,000
- 5,001 - 10,000
- More than 10,000

High-frequency transit coverage, Chattanooga, TN

1 dot = 1 housing insecure household
1/4 mile along Route 4.

Total jobs

- 1,000 or fewer
- 1,001 - 5,000
- 5,001 - 10,000
- More than 10,000

Sources: 2010-2014 American Community Survey 5-year Estimates; GTFS via CARTA.
Map 6. Incidence of violent crime among assisted households, Chattanooga, TN

Incidence of violent crime, Chattanooga, TN

1 dot = 1 household receiving rental assistance

Violent crime incidents per 100 persons

1

2 - 4

5 - 9

10 - 13

14 and above

Sources: 2010-2014 American Community Survey 5-year Estimates, National Housing Preservation Database, and Chattanooga Open Data Portal.
APPENDIX C – Detailed Data Tables and Maps

Map 7. Incidence of violent crime among housing insecure households, Chattanooga, TN

Sources: 2010-2014 American Community Survey 5-year Estimates and Chattanooga Open Data Portal.
APPENDIX C – Detailed Data Tables and Maps

Map 8. Race and ethnicity citywide and R/ECAP, Chattanooga, TN

Source: HUD, Affirmatively Furthering Fair Housing Data & Mapping Tool, egis.hud.gov/affht/
APPENDIX C – Detailed Data Tables and Maps

Map 9: Brownfield Site Locations

Brownfields in Chattanooga, TN

Sources: Environmental Protection Agency, Cleanups in My Community
### Table 1. Number of housing insecure households, Chattanooga, Hamilton County, and the State of Tennessee

<table>
<thead>
<tr>
<th>Place</th>
<th>Number</th>
<th>Percent</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chattanooga</td>
<td>8,812</td>
<td>26%</td>
<td>3,384</td>
<td>10%</td>
</tr>
<tr>
<td>Hamilton County</td>
<td>10,935</td>
<td>24%</td>
<td>6,660</td>
<td>8%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>176,975</td>
<td>23%</td>
<td>133,250</td>
<td>8%</td>
</tr>
</tbody>
</table>

*Source: 2010-2014 American Community Survey 5-year Estimates*

### Table 2. Maximum rent affordable to low-income households, Chattanooga, TN

<table>
<thead>
<tr>
<th>Income level</th>
<th>City of Chattanooga</th>
<th>Chattanooga, TN-GA MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30% AMI</td>
<td>50% AMI</td>
</tr>
<tr>
<td>Income</td>
<td>Maximum rent</td>
<td>Income</td>
</tr>
<tr>
<td>$11,905</td>
<td>$298</td>
<td>$13,868</td>
</tr>
<tr>
<td>$19,842</td>
<td>$496</td>
<td>$23,114</td>
</tr>
<tr>
<td>$31,764</td>
<td>$794</td>
<td>$36,982</td>
</tr>
<tr>
<td>$36,683</td>
<td>$992</td>
<td>$46,228</td>
</tr>
</tbody>
</table>

*Source: 2010-2014 American Community Survey 5-year Estimates*

Maximum rent calculated using HUD methodology for cost-burden.
Table 3. Gaps analysis of rental units affordable to low-income renter households, Chattanooga, TN

<table>
<thead>
<tr>
<th>Income level</th>
<th>Renter households</th>
<th>“Affordable” units</th>
<th>“Affordable” but unavailable units</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>7,870</td>
<td>4,799</td>
<td>2,274</td>
</tr>
<tr>
<td>0-50% AMI</td>
<td>13,493</td>
<td>11,778</td>
<td>4,253</td>
</tr>
<tr>
<td>0-80% AMI</td>
<td>20,254</td>
<td>30,488</td>
<td>9,696</td>
</tr>
</tbody>
</table>

Source: 2010-2014 American Community Survey 5-year Estimates

Table 4. Subsidized units at risk of expiration by 2030, Chattanooga, TN

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
<th>Total To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2016</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>By 2020</td>
<td>764</td>
<td>877</td>
</tr>
<tr>
<td>By 2025</td>
<td>858</td>
<td>1,735</td>
</tr>
<tr>
<td>By 2030</td>
<td>373</td>
<td>2,108</td>
</tr>
</tbody>
</table>

Source: National Housing Preservation Database 2016
Expiration date based on the unit's "year of the earliest housing subsidy expiration."
Table 5. Neighborhood associations with the highest number of building permits (top 20%), 2010-present, Chattanooga, TN

<table>
<thead>
<tr>
<th>Neighborhood association</th>
<th>No. of permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Elmo</td>
<td>162</td>
</tr>
<tr>
<td>Northside/Cherokee</td>
<td>143</td>
</tr>
<tr>
<td>Highland Park</td>
<td>125</td>
</tr>
<tr>
<td>Missionary Ridge</td>
<td>103</td>
</tr>
<tr>
<td>Alton Park/ Piney Woods</td>
<td>97</td>
</tr>
<tr>
<td>Jefferson Heights</td>
<td>83</td>
</tr>
<tr>
<td>Southside Cowart</td>
<td>57</td>
</tr>
<tr>
<td>Ridgedale</td>
<td>56</td>
</tr>
<tr>
<td>Hill City</td>
<td>47</td>
</tr>
<tr>
<td>Audubon</td>
<td>46</td>
</tr>
<tr>
<td>Avondale</td>
<td>45</td>
</tr>
<tr>
<td>Martin Luther King</td>
<td>42</td>
</tr>
<tr>
<td>East Lake</td>
<td>41</td>
</tr>
<tr>
<td>Shepherd</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Chattanooga Open Data Portal
Market activity was measured by residential building permits per square mile. Permits included demolitions, significant repairs, additions or alterations, new amenities (like swimming pools), and new construction with project costs $10,000 or higher between 2010 to present. Permit information was normalized using the area of the Census Tract (as calculated in ArcMap). It was also analyzed by neighborhood association.
### Table 7. Neighborhood associations with the most investment (top 20%), 2010-present, Chattanooga, TN

<table>
<thead>
<tr>
<th>Neighborhood association</th>
<th>Total investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northside/Cherokee</td>
<td>$19,596,222</td>
</tr>
<tr>
<td>Missionary Ridge</td>
<td>$11,772,539</td>
</tr>
<tr>
<td>Jefferson Heights</td>
<td>$10,989,780</td>
</tr>
<tr>
<td>St. Elmo</td>
<td>$9,532,973</td>
</tr>
<tr>
<td>Highland Park</td>
<td>$8,510,130</td>
</tr>
<tr>
<td>Southside Cowart</td>
<td>$8,360,033</td>
</tr>
<tr>
<td>Audubon</td>
<td>$5,426,339</td>
</tr>
<tr>
<td>Alton Park/ Piney Woods</td>
<td>$4,888,736</td>
</tr>
<tr>
<td>Hill City</td>
<td>$4,744,180</td>
</tr>
<tr>
<td>Martin Luther King</td>
<td>$4,017,117</td>
</tr>
<tr>
<td>Ashwood</td>
<td>$3,781,201</td>
</tr>
<tr>
<td>Avondale</td>
<td>$3,452,873</td>
</tr>
<tr>
<td>Murray Hills</td>
<td>$3,088,000</td>
</tr>
<tr>
<td>Kensington Forest</td>
<td>$2,789,750</td>
</tr>
</tbody>
</table>

*Source: Chattanooga Open Data Portal*
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AFFORDABLE HOUSING EXAMPLES

Memphis, TN

Innovation District, Sustainable Communities Initiative (SCI) Regional Planning Grant, Choice Neighborhoods Implementation Grant, Central Business Improvement District, Downtown PILOT Program, Unified Development Code, Greater Memphis Partnership

Edge Innovation District

Memphis was one of four cities selected for the Urban Land Institute’s 2013-2014 Rose Center for Public Leadership fellowships. The group selected the creation of an innovation district at the Medical Center as Memphis’ land use challenge. Smaller outdoor projects, such as the renovation of a vacant lot into a Wiffle ball field or creating a space for a bocce court, are expected to spark social connections in the community.

Reid Dulberger is Memphis and Shelby County’s chief economic development officer and president of EDGE, the area’s economic development growth engine. Dulberger hopes to see some additional space planned for young start-up firms and those emerging from the incubator at Memphis Bioworks Foundation. “Anything that can increase the density, make us more attractive to talent, and bring more amenities into this area is a benefit to the stakeholders and to the mission that we have,” says Dr. Steven J. Bares, president and executive director of Memphis Bioworks Foundation.

“Over the last few years we’ve built an ecosystem with a pipeline of capabilities, talent, growth and new energy, and we’ve begun to see companies emerging and looking for space,” says Bares, who points out that there are many vacant buildings between the medical district and downtown. “Part of the value of the innovation district is that we are creating the companies that can go there. We need to create a process for them to relocate there, so instead of being blighted buildings that everyone drives past they will be part of vibrancy and the density of the region,” says Bares.

Beth Flanagan, director of the Memphis Medical Center, believes more entrepreneurs, faculty members and students would love to be able to walk to and from their jobs and/or classes. “There are apartment developers who are looking in this area to do some new projects,” she says. “Victorian Village has a seven-home project coming up in which the developer had to get a zoning variance in order to densify the lot.” She also feels there is pent-up demand for more retail.

LINKS
http://www.highgroundnews.com/features/innovationdistrict031914.aspx


Sustainable Communities Initiative (SCI) Regional Planning Grant

City of Memphis, TN and Shelby County, TN focused their SCI grant work on the development of the transportation and distribution sector by focusing on the local ‘Aerotropolis’ air shipping hub.

Since 1973, Memphis, TN airport has served as the primary distribution hub for FedEx cargo airline which has served as one of the largest economic drivers of the region. Between a lack of adequate
logistics training and an inability to find transportation, many citizens were unable to hold jobs at the massive distribution center. Bolstered by a $1.2 million HUD SCI grant, the City of Memphis, FedEx and the Memphis Chamber of Commerce assembled a coalition of corporate and philanthropic partners, post-secondary education and trade institutions, to plan for the development of a logistics job training center. This project, dubbed the ‘Aerotropolis,’ will aim to offer programs related to aeronautics, logistics, manufacturing, bio-logistics, bio-life sciences, and employment readiness training. The city projects the implementation of the HUD funded Aerotropolis plan will result in the creation of 15,000 direct jobs over the first twenty years.

Using a $2.6 million HUD SCI regional grant, comprising the tri-state region surrounding Memphis, Shelby County, TN developed a plan to strengthen the region’s transportation network to better connect people with employment centers. As a result, the county established priorities for new bus routes, greenways, bike routes and other alternatives to make jobs more accessible to area residents, including those who do not have access to a car. Additionally, as a result of the robust groundwork laid with SCI integrated planning grant, Memphis was selected to receive $15 million in DOT TIGER IV funds for a riverfront bridge and boardwalk redevelopment that is halfway completed.

NOTE: Volkswagen may be interested in this kind of partnership for a job training center relevant to their work (advanced manufacturing, engineer, etc.), especially given their new engineering and planning center in Chattanooga.

LINKS

Choice Neighborhoods Implementation Grant
In Memphis, Tenn., the Memphis Housing Authority and the city of Memphis were awarded a $29.75 million Choice Neighborhoods Implementation Grant to revitalize the South City neighborhood. Historically, the South City neighborhood experienced the negative effects of concentrated poverty, deteriorated housing, incompatible land use and high rates of unemployment and violent crime. Additionally, within South City is Foote Homes – the last remaining traditional public housing development in Memphis.

In the late 1990s, several investments in the neighborhood were made, including the establishment of commercial centers and the Memphis Grizzlies’ FedEx Forum. By 2009, the community built on these investments and began to create a new vision for the area. A FY2010 Choice Neighborhoods Planning Grant accelerated this process, bringing together the Memphis Housing Authority, city, University of Memphis, Metropolitan Interfaith Association, police, schools and neighbors to create a plan.

Through the Choice Neighborhoods Implementation Grant, the deteriorating, 420-unit Foote Homes development will be replaced with a 600-unit, mixed-income and multi-generational community built to market-rate standards and designed to complement the surrounding neighborhood. To bolster the housing strategy, the plan proposes key neighborhood improvements, such as the creation of retail, including grocery stores, an early education center, a small business micro-loan fund, improved transit, historic preservation initiatives, and education and job opportunities for families. The plan will also pilot the city’s Blueprint for Prosperity for the children and families of South City, including a comprehensive
Appendix D – Local Innovative Policy Examples

case management system; access to a network of medical care providers and amenities that facilitate healthy lifestyles; proven employment programs; and an extensive series of educational supports for children of all ages.

LINKS

Central Business Improvement District
As the regional center for culture, business, and medicine, the Central Business Improvement District (CBID) was established as an area that required special redevelopment attention in order to ensure the economic growth and vitality of the entire community. Click here to view a CBID map.

There are a variety of services and benefits to being located within the CBID:

- Development projects in the CBID are eligible for reduced interest rate loans that are available only through DMC programs.
- Some loans and grants and technical assistance are available to businesses in the CBID.
- The DMC works in partnership with businesses and organizations in the CBID, such as the Medical District.
- Federal office facilities give preference to the CBID for new locations.
- The DMC works with neighborhood associations in the CBID to develop and attract new businesses.
- New development, such as hotels and multi-family housing, are encouraged because of tax benefits available only in the CBID.

Commercial property is assessed at a rate of 65 cents per $100 of assessed valuation. (Assessed valuation is only 40 percent of the property's appraised value.) No residential or tax-exempt properties are assessed. Based on the current assessed value of commercial properties in the CBID, the annual assessment generates approximately $2.8 million. The funds from the CBID assessment are used by the DMC to provide such services as technical assistance, professional planning and promotional support, design assistance, public improvements, and business recruitment, as well as management assistance relating to traffic, parking, maintenance, security, and other public issues.

LINKS
http://www.downtownmemphiscommission.com/about/faq/

Downtown PILOT (Payment-in-lieu-of-tax) Program
The Downtown PILOT (Payment-in-lieu-of-tax) Program is a financial incentive designed to encourage commercial real estate development in and around the Central Business Improvement District (CBID) by holding property taxes at the predevelopment level for a set amount of time. To be eligible for a PILOT, the value of the building renovations, site improvements, or new construction must be equal to or greater than sixty percent (60%) of the total project cost.
Appendix D – Local Innovative Policy Examples

At the end of the PILOT lease, the property returns to the tax rolls at the improved value, dramatically increasing the taxes due the City and County. In addition, the City and County benefit from the increased values related to properties surrounding a PILOT project, which could not have occurred without the PILOT generated improvements. The Downtown Property PILOT program is specifically designed to encourage high-quality, catalytic development projects. This incentive does not cover issues such as job creation or job retention. The sole purpose of this program is to spur development Downtown as a way to improve the overall economy of Memphis and Shelby County.

Also, Downtown Property PILOTs are reserved for projects that would otherwise not happen. The applicant must demonstrate that the development project would not be financially feasible without a PILOT. The most critical qualifying criteria is the “but for” test. That is, but for the tax incentive provided by the PILOT, the project to improve the property would not be financially viable.

LINKS
http://www.downtownmemphiscommission.com/develop-property/pilot-program/

List of all active PILOT projects:
http://www.downtownmemphiscommission.com/sites/526/uploaded/files/ActivePILOTs.pdf

Unified Development Code
Code Studio prepared a unified development code for the City of Memphis and surrounding Shelby County. The unified development code is the first for the area, and incorporates the zoning and subdivision ordinances into one consolidated document. The Memphis and Shelby County planning region spans the full range of development intensity—from dense urban core to rural farmland. Subsequently, the new code accommodates a broad development typology while remaining easy-to-use by administrators, developers and the general public.

The new code is not just a rehash of the existing regulations. It represents a substantial shift in the approach to regulation—supported by a committee of developers, engineers, architects and planners—and draws on such recent efforts as Sustainable Shelby to provide a long-term foundation for new development patterns. The code not only enables smart infill, it improves the quality of development across the board, and integrates street and streetscape design with adjacent development. View the adopted code here.

LINKS

Greater Memphis Partnership
The Greater Memphis Partnership (GMP) is the cross-sector partnership that led the development of the Greater Memphis Neighborhood Plan (GMN) in 2009. Since 2009 the group has expanded and continues as the Advisory Board of Community LIFT, which was the leading recommendation of the GMN plan - the creation of Memphis' only economic and community development
intermediary. Additionally, the GMP serves as the governing body over the Building Neighborhood Capacity Program (BNCP) federal grant.

Community LIFT was created in 2010 by the GMP, as a local community development intermediary to fill the void of scaled, comprehensive neighborhood redevelopment. LIFT acts as a clearinghouse that aggressively pursues sources of financial, human and intellectual capital. LIFT has an affiliate “emerging” Community Development Financial Institution (CDFI), or non-traditional bank, River City Capital Investment Corporation (River City). LIFT’s four goals are to revitalize distressed neighborhoods, build human capacity, improve economic conditions, and improve quality of life.

LINKS
http://www.communitylift.org/greater-memphis-partnership

http://www.communitylift.org/mission-background

Columbus, GA

Employer-Assisted Housing, Enterprise Zone, Enterprise Zone/Brownfield Initiative, Tax Allocation for Adult Basic Skills Education, Tax Allocation Districts

Employer-Assisted Housing

AFLAC is headquartered in Columbus, Ga., where it locally employs 4,400 people. In an effort to improve employee morale and increase productivity, AFLAC partnered with NeighborWorks™ (formerly the Columbus Housing Initiative) to launch an EAH program in 2002. The program is restricted to first time buyers and offers $1,000 “with no strings attached“ that goes toward the purchase of a home. AFLAC also offers an additional $4,000 to employees who buy houses in targeted neighborhoods (however, the company did not find a higher number of employees purchasing homes in those areas). The program also requires that participants go through financial assessment and counseling to determine the best plan for them (what can they afford, whether they should buy now or later, family budgeting, etc.).

NeighborWorks™ conducts the counseling, grant administration, and mortgage brokering, while AFLAC is responsible for the grant funding and the marketing efforts towards its employees. The results of AFLAC’s program are encouraging: of the 200 employees who participated in the program, 44 of them bought houses. Of that 44, 72% “feel Aflac’s financial contribution to EAH will influence their decision to remain with the company”. In a show of affirmation and support, AFLAC expanded the total funding for their own program and also donated $250,000 to NeighborWorks’s™ Walk to Work Program. The program continues to run to this day.

LINKS
https://www.academia.edu/7671523/An_Analysis_of_Employer-Assisted_Housing_Programs_for_the_City_of_Pittsburgh

http://www.nw2.org/WinningStrategies/display.asp?strategy=1280&offset=33
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Enterprise Zone
The Columbus Business Development Center, the city's Enterprise Zone, was established to revitalize the area's residential neighborhoods, while creating and retaining jobs for its residents. Business and residential developments, which plan to invest in this area, are given special state and local tax incentives as well as other possible fee exemptions. Businesses/residential developments, which locate within the Enterprise Zone, may receive tax abatements for the first ten years of operation, excluding property taxes imposed by school districts. Other incentives that may be granted include exemption from any of the following: building permit fees, sign permit fees, business license administration fees, rezoning fees, engineering fees, and other local fees authorized by City Council.

In order to be eligible for incentives, eligible businesses must:
- Increase employment by 5 or more new full-time jobs;
- Maintain the jobs for the duration of the tax exemption period;
- Whenever possible, at least 10% of the new employees filling the jobs that satisfy the job creation requirement should be low or moderate income individuals;
- Provide economic stimulus with sufficient quantity and quality as shall be determined by the local government; and
- Such business or service enterprise may be new, an expansion, or reinvestment of an existing business or service enterprise, or a successor to such business or service enterprise.

To qualify for tax exemption for the housing enterprise zone, to include new residential construction, residential rehabilitation, or other rehabilitation of an existing structure, the value of the improvement must:
- Exceed the value of the land by a ratio of five to one (exceptions apply to ANY entity); and
- In no event shall the value of the property tax exceptions granted to qualifying business or service enterprises within an enterprise zone created by the City exceed 10% of the value of the property tax digest of the jurisdiction.

LINKS
http://www.columbusga.org/planning/Special-Projects/Enterprise-Zone/

Enterprise Zone Brownfield Initiative
Columbus received special Brownfield funding for the U.S. Environmental Protection Agency in 2002. The grant was for $200,000 and targets former industrial properties in the city’s Enterprise Zone. This initiative will help reverse the negative effects of underutilized property in one of the city’s most economically distressed industrial and residential areas. Most properties available for redevelopment in this area were from old, vacant industrial, commercial, or manufacturing facilities and have suffered from industrial plant closings and general neglect due, in part, to unknown environmental problems. The grant was intended to help facilitate the economic renewal in the area and improve residents’ quality of life. The money was used to increase community involvement in this issue, select target sites, perform environmental site assessments, and prepare clean-up plans.
Technical College System of Georgia Tax Credit for Adult Basic Skills Education
The Georgia Tax Credit for Adult Basic Skills Education is designed to encourage businesses to provide or sponsor basic skills education programs for their employees. Business enterprises may benefit by providing or sponsoring for their employees basic education skills that enhance reading, writing, or mathematical skills up to and including the 12th grade level.

The amount of tax credit shall be equal to one-third of the costs of education per fulltime equivalent student, or $150.00 per full-time equivalent student, whichever is less, for each employee who has successfully completed an approved adult basic skills education program. The tax credit granted to any employer pursuant to the Code shall not exceed the amount of the taxpayer’s income liability for the taxable year as computed without regard to this Code section.

The Columbus Technical College is the local partner on this initiative.

Tax Allocation Districts (TADs)
Once a city or county establishes a TAD, revenue bonds can be issued to remedy infrastructure and environmental problems and other issues that might keep potential developers at bay. The renovations pave the way for investors to develop commercial and residential projects that increase revenue and can create jobs.

The extra tax revenue created by the development is then used to repay the revenue bonds over the life of the TAD, usually 20-30 years. Then the extra revenue goes into city and school district coffers. During the life of the TAD, the city and schools receive the same property tax proceeds from the district that they would have received otherwise, so TADs do not cut into existing revenue.

The City of Columbus received the power to establish TADs in 2014 through a ballot initiative that was approved by a majority of voters.

Example TAD proposal from the City of Columbus:
http://www.columbusga.org/Planning/pdfs/TAD_RiverDist.pdf

Nashville, TN
Mayor's Office of Economic Opportunity and Empowerment, Financial Empowerment Centers, Nashville Poverty Reduction Initiative/Nashville Poverty Council, Promise Zone, Nashville Promise Neighborhood

NOTE: Nashville's Metro Council passed an inclusionary housing ordinance in September.
Appendix D – Local Innovative Policy Examples

Mayor’s Office of Economic Opportunity and Empowerment
The Mayor’s Office of Economic Opportunity and Empowerment (OEOE) seeks to ensure that Nashville’s growth results in an increased quality of life for all Nashvillians through innovation and collaboration across Nashville’s economic opportunity efforts. With an emphasis on social and economic equity, OEOE currently focuses on the following economic opportunity priority areas:

- **Affordable Housing**: Increase access to safe and affordable housing
  Mayor Megan Barry’s Housing Priorities will focus on how Metro Nashville can fund, build, preserve, and retain affordable housing options. The Mayor’s Office will utilize this approach in setting housing policy initiatives each year, allowing the city to track benchmark data and progress. Ultimately, these efforts seek to ensure access to affordable and workforce housing options near transportation and employment opportunities, creating quality of life for all Nashvillians.

- **Financial Empowerment**: Increase access to financial stability through the Financial Empowerment Center and other financial empowerment tools

- **Homelessness**: Work closely with the Metropolitan Homelessness Commission and service providers to end homelessness in Nashville

- **Workforce Development**: Increase access to quality jobs and wages

**LINKS**

Financial Empowerment Centers
IN 2013, Nashville was selected as one of five cities to receive a grant to help low-income residents reduce debt and build assets through free, one-on-one financial counseling incorporated into existing services offered in the city. The Office of Mayor Karl Dean and United Way of Metropolitan Nashville are partners in the grant funded by Bloomberg Philanthropies and Living Cities’ Cities for Financial Empowerment (CFE) Fund.

The three-year grant will serve an estimated 5,000 Nashvillians at Financial Empowerment Centers, which will be run by United Way of Metropolitan Nashville. At the Centers, financial counselors will teach clients how to open safe and affordable checking accounts, establish a credit score, maintain a positive balance, decrease debt and maintain savings. In addition to financial counseling, the model has a strong focus on integrating with other services driving toward self-sufficiency, including benefits enrollment, family stabilization services, workforce training and job placement, housing, and other supports.

**LINKS**
Nashville Poverty Reduction Initiative/Nashville Poverty Council

The Metropolitan Action Commission and the Nashville Chamber Public Benefit Foundation, working with many other organizations, began an initiative to reduce poverty in our community. Working with hundreds of Nashville’s city leaders, advocates, organizations and residents, seven Action Teams developed a Poverty Reduction Initiative Plan on the key issues Child Care, Economic Opportunity, Food, Health Care, Housing, Neighborhood Development and Workforce Development. In 2010, Metropolitan Social Services created the public-private Nashville Poverty Council and implementation teams to address the recommendations.

Some of the housing and workforce strategies they have pursued are listed below:

- Develop a formal outreach process to identify those in need of housing and the needs are.
- Create a repository of information that identifies housing service providers and education options
- Develop a process and outreach program to link need with housing services providers.
- Create a measurement system that tracks and maps housing demand, supply, and where money goes.
- Provide a customer-friendly region-wide database of information on employment and training opportunities.
- Provide quarterly workshops for business in order to lower barriers and increase cultural sensitivity in the employment process.

LINKS

http://www.nashville.gov/Social-Services/Planning-And-Coordination/Poverty-Reduction.aspx


Promise Zone

The Nashville Promise Zone (NPZ) comprises 46-square miles, including the neighborhoods just south, east, and north of Nashville’s central business district (9.67 percent of Metropolitan Nashville, Davidson County). The Metropolitan Development and Housing Agency (MDHA) is working in partnership with the Mayor’s office, six implementation partners and more than 87 supporting partners from government, local institutions, nonprofits, and community organizations. These promise zone partners have come together to undertake a collaborative effort to socially and economically transform the community.

MDHA and its partners have identified the following six goals to improve the quality of life and accelerate revitalization: 1) Create Jobs 2) Spur Economic Activity 3) Expand Educational Opportunities 4) Reduce Violent Crime 5) Increase Access To Quality Affordable Housing 6) Improve Community Infrastructure.

LINKS

Nashville Promise Neighborhood
The Nashville Promise Neighborhood is a collaborative network of services and supports which result in the following:
- Successful students
- Healthy families
- Vibrant neighborhoods
- Graduates moving on to college and career

We promise to work together to provide an effective cradle-to-career continuum of services for the 6,000+ school-age children and their families in the Stratford cluster. We promise to bring together government organizations, non-profits, schools, universities and neighbors to create a network of effective, year-round supports for the Nashville Promise Neighborhood. We promise to ensure access for all neighborhood residents - regardless of age, income level, or education - to a range of family and community supports.

In addition to children growing up healthy and students are ready to succeed in school, the third "Nashville Promise" is that families are healthy and live in vibrant neighborhoods - including connecting families to supportive networks and needed services; families have steady employment; neighborhoods are safe and free of violence and crime.

LINKS
http://www.nashvillepromise.org/promise
WORKFORCE DEVELOPMENT EXAMPLES
Wichita, KS
Career Pathways Initiative
The Workforce Alliance of South Central Kansas, the Workforce Development Board serving Wichita, Kansas and the surrounding rural areas, has convened local partners to build career pathways for careers in aviation, healthcare and advanced manufacturing. Each of the pathways incorporates the elements of the career pathways model -- alignment with industry, stackable credentials, accelerated/integrated education and training, multiple entry an exit points, intensive supports and the flexibility to meet the needs of adults. Partners include the Wichita Workforce Center, the local TANF agency, adult basic education providers and other community-based organizations, employers, Wichita Area Technical College, economic development agencies and others. All stakeholders working together developed common intake and assessment processes, and developed braided funding and co-enrollment strategies to support the initiative. They began with an asset mapping exercise involving stakeholders who together identified common services and resources, duplications, and gaps, for their mutual customers – low-skilled adults. Taskforce members were decision-makers from their organizations who were empowered to make decisions for the organizations and to make changes that were agreed to by the task force. Other task force members met with employers to identify specific needs, design a curriculum and the employers’ role in the program.

The aviation pathway provides one example: the Workforce Center and community-based organizations recruit individuals and provide support as they work their way through the program. The first step of the pathway is a class that combines GED instruction (for those who need it) with OSHA-10 and Advanced Aerostructures. Once students pass a competency test they are guaranteed an interview, and are eligible for a job if they pass a WorkKeys assessment. Students who wish to gain higher level credentials can apply their initial credential to the next step along the career ladder, a program in Advance Aerostructures.

LINKS

Paducah, KY
Accelerate You
The Accelerate You program at West Kentucky Community and Technical College (WKCTC) allows adult education students to co-enroll in college-level courses in the college’s Applied Technology and Health Science Technology programs. These students receive contextualized instruction in math, reading and writing before and during their technical courses. The program allows students to begin training for their career of choice immediately, avoiding the cost and time of non-credit coursework. The model is based on the i-BEST model developed by the Washington State Community College System, and replicated through a national initiative, Accelerating Opportunity (AO)
Appendix D – Local Innovative Policy Examples

AO involves 103 colleges in the states of Illinois, Kentucky, Kansas and Louisiana, all of which have designed pathways like those at WKCTC. Together they have developed 154, 12-credit pathways that lead to industry-aligned certificate programs that articulate to Associate Degree programs.

LINKS

http://www.acceleratingopportunity.org/field-guide/

Boston, MA
Bridges to College
Boston-based Jewish Vocational Services (JVS) operates the Bridges to College program, which serves about 100 students each year in an intensive 23-week program to improve their English, math and science skills and get them into college. The program is free for participants.

Most students hear about Bridges by word of mouth or other adult learning classes. They attend four days of classes per week (25 hours) and regularly meet with academic coaches, who also provide one-on-one tutoring. The program helps students fill out college applications, apply for financial aid, and choose a major.

As part of their training, students take a college seminar, which earns them three credits at Bunker Hill, a local community college. Those who successfully complete Bridges also get to take one three-credit class for free.

English classes focus on critical thinking, reading and writing. The math classes start with basic arithmetic and proceed up to intermediate algebra. Science classes for the biotech pathway students focus on chemistry and biology.

Most students later enroll in associate degree programs. In effect, students avoid paying for developmental education and enroll with six-credits. The program, which largely serves immigrants, also helps people adjusting to the United States and learning to better speak English.

Instituto Del Progreso Latino, an operator of a Bridge program in Chicago, has published a step-by-step guide for establishing Bridge programs serving low-skill adults.

LINKS

http://www.jvs-boston.org/bridges-to-college
http://www.idpl.org/images/publicationsPDFs/Instituto2010_HowToBuildBridgePrograms%20final.pdf
Memphis, TN

Greater Memphis Alliance for a Competitive Workforce

The Greater Memphis Alliance for a Competitive Workforce (GMACW) deploys a number of strategies to build a pipeline of high-skilled workers in the Memphis area. To build industry-driven career pathways, the alliance convened sector-based employer councils to define “career maps” that articulated granular skill requirements for key occupations. The alliance likewise convened education and training stakeholders to align their programs around industry career maps and skill requirements. The alliance emphasized that each training institution assume a unique and specific role along the career training continuum and that training credit articulated with all institutions handling training for other key occupations on a pathway map. Pathways maps and training providers are available to students and employers through an online portal administered by GMACW.

In addition to facilitating career pathways, GMACW works to identify and address training gaps as well as collect, analyze, and report data on local workforce skill requirements and hiring trends. To support workforce development, the alliance also advocates for policy and helps partners raise funding for workforce development programming. Lastly, the alliance regularly convenes service providers to, for example, develop a common work readiness assessment and facilitate shared resources towards common outcomes.

LINKS

http://www.gmacw.com/about-us/

Nashville, TN

Nashville Workforce Network

The Nashville Workforce Network brings together government, non-profit, and private partners focused on workforce development. The purpose of the Network is to improve agency capabilities and resources that help vulnerable populations enter the job market, sustain employment, and advance in their careers.

The Nashville Workforce Network grew out of the Mayor’s 2010 Poverty Initiative. Its focus as a Network is not on direct service, but rather on collective impact and capacity building. In collaboration, the Network has focused on professional development for members, many of whom are the only staff person focused on workforce development within a larger, more population-focused organization. The Network has identified effective practice in workforce development from around the country and facilitated trainings and opportunities for implementation and shared learning. Network-wide communication allows for job fairs, employment-readiness workshops, and other opportunities that organizations provide their clients to be opened up to the collective client base, expanding the impact of a single organization and expanding meaningful opportunities for job-seekers in the community. The Network includes 90 organizations, over 150 individual members, and a collective reach of over 23,000 people in the Middle Tennessee area.

LINKS

http://www.nashvilleworkforcenetwork.org/

**City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT**

Lower typology scores correspond to more opportunity rich communities. Higher typology scores correspond to communities with limited opportunities.

<table>
<thead>
<tr>
<th>COMMUNITIES OF OPPORTUNITY TYPE</th>
<th>OVERALL EXITING CONDITIONS</th>
<th>TYPOLOGY METRICS</th>
<th>POTENTIAL STRATEGIES, POLICIES AND PROGRAMS</th>
<th>FINANCING MECHANISMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) OPPORTUNITY RICH</td>
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<td></td>
<td>OVERALL OBJECTIVE: PRESERVE EXISTING AND/OR DEVELOP AFFORDABLE HOUSING NEAR JOB CENTERS AND/OR TRANSIT.</td>
<td>Affordable Housing</td>
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<td>Affordable Housing</td>
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<tr>
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<td>• Provide financing to non-profit partners to acquire, rehab and secure the long-term affordability of housing in these census tracts, through longer-term affordability period resale restrictions, etc.</td>
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<td>• Pursue Property Assessed Clean Energy (PACE) legislation to incorporate energy efficiency elements in existing or new residential development projects.</td>
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<td>• Work with Anchor Institutions and other Employers to offer homebuyer assistance for low-income employees to incentivize “Live Where You Work”</td>
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<tr>
<td></td>
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<td></td>
<td>• Target federally funded projects for longer-term preservation efforts.</td>
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<td><strong>Workforce Development</strong></td>
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<td></td>
<td>• Support “Live Where You Work” with CLT owned properties in these areas to support affordable housing development or homeownership opportunities.</td>
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</tr>
</tbody>
</table>

**COMMUNITY CHARACTERISTICS:**

**Housing Security:** These areas have renters and owners without severe cost-burdens, and these households experience fewer housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also less likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran.

**Housing Market:** Rental and ownership housing options are more expensive compared to the overall city average, as evidenced by a small share of rental units affordable to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and higher rents and home values above the citywide median. Very few of the City’s total federally assisted units are located in these areas, evidenced by a small share of project-based and rental assistance vouchers being used in them.

**Resident Mobility:** Residents have incomes above the citywide median and have higher levels of educational attainment, as evidenced by a majority of residents in these areas with at least a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and fewer households rely on public assistance programs, as evidenced by low participation in free and reduced lunch programs and use of the earned income tax credit.

**Resident Connection:** These areas exhibit poor “walkability,” located far from amenities and a built environment that is not comfortable for persons on foot or without vehicles.

**Resident Health:** Residents generally exhibit good physical health, as evidenced by lower rates of chronic diseases like asthma, obesity, and diabetes, and healthier behaviors, such as not smoking or drinking heavily. These residents can easily access healthcare services, based on insurance, presence of doctors and dentists, and reported checkups.

**Housing Security:** Residents living in these areas can own or rent housing without severe cost-burdens, and these households experience fewer housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also less likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran.

**Housing Market:** Rental and ownership housing options are more expensive compared to the overall city average, as evidenced by a small share of rental units affordable to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and higher rents and home values above the citywide median. Very few of the City’s total federally assisted units are located in these areas, evidenced by a small share of project-based and rental assistance vouchers being used in them.

**Resident Mobility:** Residents have incomes above the citywide median and have higher levels of educational attainment, as evidenced by a majority of residents in these areas with at least a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and fewer households rely on public assistance programs, as evidenced by low participation in free and reduced lunch programs and use of the earned income tax credit.

**Resident Connection:** These areas exhibit poor “walkability,” located far from amenities and a built environment that is not comfortable for persons on foot or without vehicles.

**Resident Health:** Residents generally exhibit good physical health, as evidenced by lower rates of chronic diseases like asthma, obesity, and diabetes, and healthier behaviors, such as not smoking or drinking heavily. These residents can easily access healthcare services, based on insurance, presence of doctors and dentists, and reported checkups.
Higher typology scores correspond to communities with limited opportunities.

**Housing Market:** Rental and ownership housing options are more expensive compared to other parts of Chattanooga, as evidenced by higher median rents and housing values. Compared to higher opportunity areas, these areas have a larger share of both affordable rental units to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and rents and home values that exceed the citywide average/median. Very few of the City’s total federally assisted units are located in these areas, evidenced by a small share of project-based and rental assistance vouchers being used in them.

**Resident Mobility:** Residents have incomes above the citywide median and higher levels of educational attainment, as evidenced by a majority of residents in these areas with at least a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and fewer households rely on public assistance programs, as evidenced by low participation in free and reduced lunch programs and use of the earned income tax credit.

**Resident Connection:** These areas exhibit poor “walkability,” located far from amenities and a built environment that is not compatible for persons on foot or without vehicles.

**Resident Health:** Residents generally exhibit average physical health, as evidenced by average rates of chronic diseases like asthma, obesity, and diabetes, and healthier behaviors, such as not smoking or drinking heavily. These residents can access healthcare services, based on insurance, presence of doctors and dentists, and reported checkups, more easily than types 3 and 4, but not as easily as type 1.

**Housing Security:** Some, but not all, residents living in these areas can own or rent housing without severe cost-burdens, and these households experience average rates of housing problems (such as overcrowding or multiple families living together). Residents may exhibit one or more characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than higher opportunity areas.

**Housing Market:** Rental and ownership housing options largely track with the citywide trends. These areas have a large share of both affordable rental units to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and rents and home values on par with the citywide median. These areas have some of the City’s total federally assisted units, including more than those in Losing Connectivity, evidenced by a higher percentage of project-based and rental assistance vouchers being used in them.

**Resident Mobility:** Residents have incomes in line or slightly higher than the citywide median, and some residents lack the education, as evidenced by a higher share of residents in

### Jobs Accessible = 12,312

These areas exhibit similar characteristics to Opportunity Rich areas, but suggest more needs related to economic mobility and inclusion, based on a higher rate of unemployment and fewer households with a high school diploma. These areas also have a higher share of households identifying as non-White, making them more likely to experience housing insecurity, and a higher share of households living in poverty. This area also has the most CIs of all opportunity types.

<table>
<thead>
<tr>
<th>OVERALL OBJECTIVE: PRESERVE EXISTING MARKET RATE HOUSING, DEVELOP WORKFORCE HOUSING AND ATTRACT COMMERCIAL DEVELOPMENT.</th>
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<tbody>
<tr>
<td>Affordable Housing</td>
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<tr>
<td> HousingPILOTProgram</td>
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<td> CDBG (NRSAs)</td>
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<td> HOME</td>
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<td> CE revolving loan fund for rehabilitation projects</td>
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<td> HUD Section 4 capacity building grants for CHDOs and CDCs</td>
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<td> THDAs – Competitive Trust Funds</td>
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<td> Bond Financing</td>
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<td> Foundation Grants</td>
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<td> Crowdfunding</td>
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<td> PACE</td>
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<tr>
<th>Workforce Development</th>
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<tbody>
<tr>
<td> Main Street Program</td>
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*Note: Data and images from a variety of sources, including Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community.*
City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities. Higher typology scores correspond to communities with limited opportunities.

These areas without a high school degree, to advance to higher-income jobs. Residents within these areas experience challenges related to employment nearly to the same degree of residents living in Type 2 areas, evidenced by nearly identical unemployment rates. Pockets of poverty, rather than widespread poverty, exist within these areas, with some households relying on public assistance programs, as evidenced by average participation in free and reduced lunch programs and use of the earned income tax credit.

**RESIDENT CONNECTION:** These areas have average "walkability," within general proximity to amenities and a built environment that is somewhat comfortable for persons on foot.

**RESIDENT HEALTH:** Residents generally exhibit poorer physical health than other parts of the City, as evidenced by higher rates of chronic diseases like asthma, obesity, and diabetes, and fewer healthy behaviors, such as smoking or drinking heavily. These residents have more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.

**HOUSING SECURITY:** Residents living in these areas likely cannot own or rent housing without severe cost-burdens, and these households experience more housing problems (such as overcrowding or multiple families living together) than the city as a whole. Residents are also more likely to exhibit characteristics that make them more vulnerable to housing insecurity, such as age (children and older adults), race or ethnicity, or other special characteristics, such as having a disability or being a veteran than higher opportunity areas.

**HOUSING MARKET:** Rental and ownership housing options are less expensive compared to other parts of Chattanooga, evidenced by lower rents and housing values than the citywide median. Compared to higher opportunity areas, these areas have a larger share of both rental affordable to residents making 50 percent of area median income and homes to residents making 80 percent of area median income and higher rents and home values above the citywide median. A larger share of the City’s total federally assisted units are located in these areas, evidenced by a higher percentage of project-based and rental assistance vouchers being used in them.

**RESIDENT MOBILITY:** Residents have incomes lower than the citywide median (between 50-80 percent AMI) and lower levels of educational attainment, as evidenced by a higher share of residents in these areas without a high school degree. Unemployment and poverty affects residents at lower rates than the city as a whole, and more households rely on public assistance programs, as evidenced by higher-than-average participation in free and reduced lunch programs and use of the earned income tax credit.

**RESIDENT CONNECTION:** These areas would be considered “walkable,” with close proximity to amenities and a built environment that is somewhat comfortable for persons on foot.

**ADVANCE TO HIGHER-INCOME JOBS:** These areas need a mix of strategies, tailored to the characteristics that fall below the citywide average, namely related to health, and to help preserve and broaden the opportunity that already exists in these places.

**Preserve affordability of government-assisted properties by developing an early warning system that notifies ECD of properties that are at risk of losing affordability due to expiring subsidies.**

**Prioritize federal funding for missing middle housing types in specific target areas.**

**Align RAP conversion strategy with revitalization efforts to ensure highest priority categorization, targeting properties in these areas.**

**Focus Land Bank activities in these areas to assemble multiple adjacent vacant properties in strategic locations for future development.**

**Workforce Development**

- Prioritize education, job placement and training services in these areas.
- Develop bridge programs in these areas to help residents prepare for post-secondary education and training.
- Consider a “Main Street” model to revitalize key commercial corridors, and incorporate innovative use of properties, including pop-up retail, hydroponics, worker space, etc.

**Affordable Housing**

- Affordable Housing Trust
- Housing PILOT Program
- CDBG (NRSA)
- HOME
- Section 108
- CE revolving loan fund for rehabilitation projects
- HUD Section 4 capacity building grants for CHDOs and CDCs
- THDA – Competitive Trust Fund
- Bond Financing
- Philanthropic/Foundation Grants
- Crowd Funding
- PACE or Green Capital Expenditure
- Pre-development loans to support Brownfield revitalization
- CRA – Motivated Investment
- TIFs

**Workforce Development**

- SBIC, SBA, SBDC
- NMTCs
- Section 108
City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

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Residents likely exhibit one or more characteristics that make them more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.

Resident Health: Residents generally exhibit poorer physical health than higher opportunity areas, as evidenced by higher rates of chronic diseases like asthma, obesity, and diabetes, and fewer healthier behaviors, such as smoking or drinking heavily. These residents have more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.

Housing Security: Residents living in these areas likely cannot own or rent housing without severe cost-burdens, and these households experience the highest rates of housing problems (such as overcrowding or multiple families living together). Residents likely exhibit one or more characteristics that make them more limited access to healthcare services, based on lower rates of insurance, presence of doctors and dentists, and reported checkups.

Affordable Housing

- Median Rent = $562
- Median Housing Value = $77,440
- Median HH Income = $19,607
- % Minority = 87.8
- % Poverty = 48.3

Overall Objective: Increase resident access to opportunity through targeted cross-sector strategies and investments, focusing on housing security, health and economic mobility.

Affordable Housing

- National Trust Community Investment Corporation – Equity Investments
- Workforce Development
- Build a coordinated systems of connections between education and training opportunities, employers, and support services.
- Identify pathways and services for those with criminal backgrounds and very low-skilled
- Work to bring TCAT, ChattState, college “bridge” programs, and other employment and training services to neighborhood locations.
- Coordinate with Land Bank on reuse of land bank properties to expand employment and training services to these areas.
- Work with Anchor Institutions and other Employers to offer homebuyer assistance for low-income employees to incentivize “Live Where You Work”. This could be coordinated with CDBG NRSA to provide more mixed-income neighborhoods.
- Coordinate with Housing PILOT Program Developers to develop flex space within projects for use as incubators, training or educational space.
- Target commercial corridors in these areas for façade improvements and expansion opportunities, possibly incorporating policy tools like BIDs, BIAs, BRZs, CIDS, SSA, or SIS.
- Prioritize CDBG funding for public services focusing on job training and job placement services, education and training.

Targeted Cross-Sector Strategies and Investments

- Preserve affordability of government-assisted properties by developing an early warning system that notifies ECD of properties that are at risk of losing affordability due to expiring subsidies.
- Prioritize missing middle housing types in specific target areas.
- Prioritize access to opportunity in all development solicitations, giving points to applications that identify how the proposed development project increases access to opportunity.

Workforce Development

- Prioritize Chatt 2.0 initiatives including Community Renewal Cluster in these areas.
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- Identify pathways and services for those with criminal backgrounds and very low-skilled
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- Target commercial corridors in these areas for façade improvements and expansion opportunities, possibly incorporating policy tools like BIDs, BIAs, BRZs, CIDS, SSA, or SIS.
- Prioritize CDBG funding for public services focusing on job training and job placement services, education and training.

Heath and Economic Development

- Establish a Section 108 loan program to attract development to target areas (e.g., NRSA and brownfield sites).
- Pursue Property Assessed Clean Energy (PACE) legislation to make energy efficiency improvements to commercial, industrial, and residential properties to complement both infill and brownfield strategies.
- Partner with home equity insurance provider to provide equity protection insurance to potential homeowners that are looking to buy in areas with weaker but improving submarkets.
- Preserve affordability of government-assisted properties by developing an early warning system that notifies ECD of properties that are at risk of losing affordability due to expiring subsidies.
- Prioritize missing middle housing types in specific target areas.
- Prioritize access to opportunity in all development solicitations, giving points to applications that identify how the proposed development project increases access to opportunity.

Workforce Development

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-Coordinate with Housing PILOT Program Developers to develop flex space within projects for use as incubators, training or educational space.
- Target commercial corridors in these areas for façade improvements and expansion opportunities, possibly incorporating policy tools like BIDs, BIAs, BRZs, CIDS, SSA, or SIS.
- Prioritize CDBG funding for public services focusing on job training and job placement services, education and training.
Opportunity Typology

City of Chattanooga Communities of Opportunity Strategy Roadmap – DRAFT

Lower typology scores correspond to more opportunity rich communities. Higher typology scores correspond to communities with limited opportunities.

- % Unemployed = 28.6
- Median Year Built = 1961
- % Federally Subsidized = 42.6
- % Affordable to Renters = 84.8
- % Affordable to Owners = 72.6
- % Less than HS Diploma = 28.1
- Jobs Accessible = 32,721

These areas exhibit the highest rates of need across most dimensions of opportunity, except transit and infrastructure. These areas, like areas that are Losing Connectivity, have a pedestrian friendly environment. These areas need a comprehensive, cross-sector approach to address issues related to housing insecurity and vulnerability, economic mobility and inclusion, and health and become communities of opportunity. These areas have the most affordable housing options for both renters and owners.

- Direct a majority of code enforcement activities to specific target areas within these census tracts, targeting landlords or absentee properties owners. These efforts should be intensified prior to the start of redevelopment activities and capital improvements. CE revenue could capitalize a loan pool for the area to support rehabilitation.
- Establish a CLT to secure long-term housing affordability of homeownership and rental housing.
- Align residential code enforcement activities with referrals to local housing rehab programs.
- Establish a rehabilitation loan pool (via AHT, Section 108, CE revenue, etc.) to initiate rehabilitation activities within these targeted census tracts, prioritizing comprehensive energy efficiency improvements.
- Reduce permitting time to encourage redevelopment and new constructions of residential and commercial property.
- Identify a target area with outcomes-based goals and establish a CDBG neighborhood revitalization strategy area (NRSA). An NRSA designation supports mixed-income development using added flexibility provided under CDBG regulations.
- Target Housing PILOT Program in these areas to support and incentivize more mixed-income properties.
- Align CHA’s FSS program participants with workforce development initiatives.
- Align potential RAD conversion strategy with revitalization efforts to ensure highest priority categorization, targeting properties in these areas.
- Leverage pedestrian friendly environment to align capital improvement priorities with place-making efforts to promote sense of community.
- Establish a CDBG Section 108 loan program to catalyze and attract development in NRSA.
- Focus Land Bank activities in these areas to eliminate blight, and give nonprofits priority to bid on city-owned land-banked properties in specific target areas, and require land to be used to address opportunity deficiencies.
- Pursue Property Assessed Clean Energy (PACE) legislation to make energy efficiency improvements to commercial, industrial, and residential properties to complement both infill and brownfield adaptive reuse strategies.
- Target Brownfield sites for acquisition, rehabilitation and reuse as facilities to deliver employment, education and/or health related services.
- Partner with home equity insurance provider to provide equity protection insurance to potential homeowners that are looking to buy in areas with weaker but improving submarkets.
- Explore zoning overlay or rezoning to encourage transit-supportive development in target areas and prioritize new construction within these areas.

Workforce Development
- Prioritize Chattanooga 2.0 initiatives including Community Renewal Cluster in these areas, to support NRSA efforts.

- Section 108
- CE revolving loan fund for rehabilitation projects
- HUD Section 4 capacity building grants for CHDOs and CDCs
- THDIA – Competitive Trust Fund
- Bond Financing
- Philanthropic/Foundation Grants
- Crowd Funding
- PACE or Green Capital Expenditure
- Pre-development loans to support Brownfield revitalization
- CRA – Motivated Investment
- TIFs

Workforce Development
- SBIC, SBA, SBDC
- NMTCs
- Section 108
- National Trust Community Investment Corporation – Equity Investments
- BIDs or NIDs
- Seek competitive grants from US DOE, DOL, HUD, to build education, training and job programs.
- Draw on DOL formula funds administered by the Southeast Development District to support education and training for residents eligible for vouchers.
- Access Tennessee ReConnect for residents with some college experience.
Lower typology scores correspond to more opportunity rich communities.
Higher typology scores correspond to communities with limited opportunities.

| Build a coordinated systems of connections between education and training opportunities, employers, and support services. |
| Identify pathways and services for those with criminal backgrounds and very low-skilled. |
| Work to bring TCAT, ChattState, college "bridge" programs, and other employment and training services to neighborhood locations. |
Appendix F. Housing and workforce development strategies

More than 35 affordable housing and workforce development stakeholders reviewed the Communities of Opportunity Strategy Roadmap during the “Bridging the Gap” workshop in October 2016. These stakeholders largely affirmed the need for a more coordinated effort between their respective sectors, noting that piloting a comprehensive approach to both housing and workforce development needs in a specific geographic location could start this effort.

Additional information—prioritized and missing affordable housing strategies and examples of workforce development strategies—are included below.
Appendix F. Housing and workforce development strategies

**Affordable housing strategies**

<table>
<thead>
<tr>
<th>Type</th>
<th>Priority strategies</th>
<th>Missing strategies</th>
<th>Barriers</th>
<th>Partners</th>
</tr>
</thead>
</table>
| Opportunity rich      | - Target expiring affordable housing along transit access points  
- Prioritize HOME/PILOT applications                                                                                                         | - Target back-tax properties for income restrictions                              | - R1 zoning  
- Storm water requirements                         | CHA                               |
| Emerging opportunity  | - Prioritize HOME/PILOT applications  
- Incentivize mixed-use projects that incorporate incubator/training space  
- Work with private sector on a live/work/play homeownership program                                                                                   | - Targeted neighborhood                                                            | - Large area to cover                          | Private sector (i.e. VW) |
| Tipping point         | - Incentivize developers to rehab vacant properties and pursue mixed-use development  
- Build capacity of developers to build other products  
- Develop priority infill areas for development with appropriate zoning and capital improvements and code enforcement  
- Land assembly/CLT                                                                                                                      |                                                                                 |                                              |                     |
| Losing connectivity   | - Create a Community Development Corporation  
- Preserve workforce housing  
- Pursue large-scale energy retrofits                                                                                                          | - Community Land Trust  
- Better integration of workforce and education with youth and family development (YFD) centers                                                                 | - Rising costs                                                                |                     |
| Opportunity limited   | - Build a coordinated system of connection to education & training.  
- Improve quality of existing housing.                                                                                                          | - Strengthen (inclusive) neighborhood associations  
- Investment in housing from local healthcare institutions  
- Rental registry                                                                                                                     | - Public safety/crime  
- Substandard housing                                                             |                     |
Appendix F. Housing and workforce development strategies

**Workforce development strategies**

*A Coordinated System to Train Residents for High-Demand Jobs.* Stakeholders involving community providers, educators, and others could work in a coordinated fashion with employers to identify high-demand jobs, recruit residents for education and training programs in those fields, and support residents to program completion and into the job. Such systems are commonly referred to as career pathways, defined as “well-articulated sequence[s] of education and training offerings.” Their features include multiple entry points that accommodate participants entering at differing skill levels; multiple exit points at successively higher levels of education and employment; and services to support people as they pursue training and employment.

Such pathways illustrate explicitly how individuals access the training needed for specific careers, and the services that are available to support their progression along the pathway.

**Integrated Adult Basic Education and Technical Training.** Some certificate and degree programs teach foundational math and reading skills in the context of technical training. Still others offer “dual enrollment” in adult basic education and HiSET at the same time as technical training, such as TCAT programs. These programs have been found to accelerate student progress and improve persistence over “stand alone” Adult Basic Education or developmental education.

**Neighborhood-Based Post-Secondary and “Bridge” Programs.** “Bridge” programs provide services to prepare people for success in postsecondary programs such as certificate or degree programs at ChattState, TCAT, or elsewhere. Many of the current providers of employment services have the potential to expand their services to serve as bridge-to-college/postsecondary programs. Doing so would help create avenues to training that results in labor market credentials and higher-paying employment.

In addition, Chattanooga could identify locations to offer the services of the Tennessee Career Centers and certain courses of ChattState and TCAT downtown or in neighborhoods most in need. Many stakeholders spoke of the inaccessibility of these programs, given the geographic spread of Chattanooga and transportation challenges faced by many residents.

**Job Portal.** The Job Portal, as proposed by Chattanooga 2.0, would be an online tool to provide information on job opportunities and the specific skill and credential requirements of each, with information about where to access training for these credentials. The Job Portal would be a tool that could be used by students, residents, and their advisors, to map out a path to credentials with labor market value and a job in a high-demand field.
Appendix F. Housing and workforce development strategies