

AFFORDABLE HOUSING COMMITTEE MINUTES

Chattanooga City Council

May 9, 2023

In Attendance

Vice Chair Jenny Hill, Committee Chair, called the meeting to order at 3:57 p.m. in the Assembly Room of the John P. Franklin, Sr. City Council Building. A quorum was present that also included Council Chair Raquetta Dotley and Councilpersons Chip Henderson, Ken Smith, Darrin Ledford, Isiah Hester, Carol Berz, and Marvene Noel. Other participants present were Phil Noble, City Attorney, and Melissa Bardoner, Council Support Specialist. Councilwoman Demetrus Coonrod was not present for this meeting.

Approval of Minutes

On the motion of Chair Dotley and seconded by Councilwoman Noel, the minutes of the last meeting (April 25, 2023) were approved as published.

Others In Attendance

Economic Development: Nicole Heyman, Chief Housing Officer; The Reinvestment Fund: Ira Goldstein, President of Policy Solutions, and Jessica Guarneros, Senior Policy Analyst.

Affordable Housing Presentation – Initial Findings of the MVA

Vice Chair Hill opened the floor to Ms. Heyman and Mr. Goldstein for a presentation on the initial findings of the Market Value Analysis, which can be viewed [here](#). The presentation touched on:

- The background of Reinvestment Fund: who they are, what they do & how they work.
- An overview of Market Value Analysis (MVA) Methodology:
 - What it is and how it works – uses administrative data to identify distressed markets and build from strength by investing in strong assets within those markets.
 - Other cities that are using MVA & examples how they use it:
 - Target code enforcement (Baltimore, Indianapolis, New Orleans)
 - Target statewide Strong Neighborhoods Revolving Loan Fund (Delaware)
 - Assessment of Fair Housing (Philadelphia, Richmond)
 - The steps involved in the MVA Process:
 - Acquire local administrative data.
 - Manually inspect & validate data by driving the areas.
 - Use statistical cluster analysis to identify areas with common attributes.
 - Manually inspect areas with local experts to assess fit.
 - Alter parameters, then re-solve & re-inspect with local experts until the model accurately represents the area.
 - Summarize and describe the characteristics of each market area.

(continued)

- Important lessons learned from experience:
 - Validating data is critical.
 - Geographic scale matters; local nuances need to be accounted for.
 - One size does not fit all; solution models must be customized to each city.
 - Local knowledge and feedback needs to be incorporated into each solution model.

At this point in the presentation Mr. Goldstein introduced his colleague, Ms. Guarneros, who presented data on:

- Housing Market Indicators available for Chattanooga & where the data was sourced from:
 - Property value and investment:
 - Median home sales price & home price variance (Hamilton Co. Assessor)
 - Permits for new construction & renovation (Hamilton Co. Public Works Dept.)
 - Market stressors:
 - Distressed home sale transactions (City of Chattanooga)
 - Code Violations (City of Chattanooga)
 - Vacant parcels (City Public Works Dept.; Utility shutoffs)
 - Housing stock and land use:
 - Owner occupancy (American Community Survey)
 - Renters in subsidized housing (City of Chattanooga)
 - Density (City Public Works Dept.)

Mr. Goldstein then concluded the presentation with:

- Initial observations & current Market Trends.
- How to use the MVA to set priorities for areas based on their market, as well as to measure areas facing displacement pressure.

Upon conclusion of the presentation, Councilman Ledford inquired as to the possibility of this data being used in opposition of affordable housing. Mr. Goldstein responded. Vice Chair Hill stated the need for partnerships to effectively address affordable housing; subsidy alone is not enough. Upon no further questions or comments, the issue was closed.

Adjournment

There being no further business, Vice Chair Hill adjourned the meeting at 4:24 p.m.