

RESOLUTION NO. 24582

A RESOLUTION APPROVING A PUBLIC HOUSING PLAN OF THE CHATTANOOGA HOUSING AUTHORITY FOR DEVELOPMENT OF THE JOHNSON APARTMENTS AND TO AUTHORIZE THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND TO PROVIDE FOR PAYMENTS IN LIEU OF AD VALOREM TAXES FOR SAID DEVELOPMENT.

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WHEREAS, the Chattanooga Housing Authority (CHA) has been engaged in a program of demolition of 279 obsolete public housing units, 91 of which were located in the Avondale neighborhood; and

WHEREAS, the demolition of the Reverend H. J. Johnson Apartments property provides the opportunity to redevelop affordable housing; and

WHEREAS, CHA has prepared a Public Housing Plan for development of 61 new affordable units on said property and has obtained funding commitments; and

WHEREAS, the CHA Board of Commissioners has approved the Public Housing Plan and a public hearing has been conducted in accordance with Tennessee Code Annotated, Section 13-20-105; and

WHEREAS, it is in the best interest of the City of Chattanooga that said plan be carried out.

NOW, THEREFORE,

BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Public Housing Plan for development of the Johnson Apartments, a copy of which is attached hereto and made a part hereof by reference, be and is hereby approved.

BE IT FURTHER RESOLVED, That said development be incorporated into the Revised Cooperation Agreement between the CHA and the City, dated March 18, 1968, providing therein for payments in lieu of taxes.

ADOPTED: November 15, 2005.

MR/MAM/add

**JOHNSON APARTMENTS**  
**PUBLIC HOUSING PLAN**

PREPARED BY:  
Chattanooga Housing Authority  
October 23, 2005

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## **I. Introduction**

The Chattanooga Housing Authority (CHA), a housing authority, is a public body corporate and politic, organized in accordance with the provisions of the State Law under Tennessee Code Annotated, Section 13, Chapter 20, with the following powers:

- (1) Investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions;
- (2) Determine where unsafe, or unsanitary dwelling or housing conditions exist;
- (3) Study and make recommendations, in cooperation with any city, municipal or regional planning commission, concerning the plan of any city or municipality located within its boundaries in relation to the problem of clearing, replanning and reconstruction of areas in which unsafe, or unsanitary dwelling or housing conditions exist, and concerning provisions for dwelling accommodations for persons of low income;
- (4) Prepare, carry out and operate housing projects;
- (5) Provide for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any housing project or any part thereof by direct sponsorship of the authority, by the purchase of a mortgage or by the making of a mortgage loan to a not-for-profit entity or corporation. In the event it becomes necessary for an authority to issue bonds for the obtaining of capital to purchase a mortgage or the making of a mortgage loan as provided for in this section, the bond issue shall first be approved by ordinance or resolution of the local governing body;

- (6) Own, operate, assist, or otherwise participate in one (1) or more mixed-finance projects to provide for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any housing project or any part thereof. An authority may provide capital assistance, operating assistance and financing assistance to a mixed-finance project in the form of a grant, loan, guaranty, collateralization or other form of investment in the project, or other form of public or private borrowings, for the construction or rehabilitation of a housing project;
- (7) Take over by purchase, lease or otherwise any housing project located within its boundaries undertaken by any government, or by any city or municipality located in whole or in part within its boundaries;
- (8) Manage as agent of any city or municipality located in whole or in part within its boundaries any housing project constructed or owned by such city;
- (9) Act as agent for the federal government in connection with the acquisition, construction, operation and/or management of a housing project or any part thereof;
- (10) Arrange with any city or municipality located in whole or in part within its boundaries or with a government for the furnishing, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities;
- (11) Arrange for the acquisition by such city, municipality, or government of property, option or property rights;
- (12) Arrange for the furnishing of property or services in connection with a project;

- (13) Arrange with the state, its subdivisions and agencies, and any county, city or municipality of the state, to the extent that it is within the scope of each of their respective functions:
- (A) Cause the services customarily provided by each of them to be rendered for the benefit of such housing authority and/or the occupants of any housing projects;
  - (B) Provide and maintain parks and sewerage, water and other facilities adjacent to or in connection with housing projects; and
  - (C) Change the city or municipality map, to plan, replan, zone or rezone any part of the city or municipality;
- (14) Lease or rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any housing project and to establish and revise the rents or charges therefor;
- (15) Enter upon any building or property in order to conduct investigations or to make surveys or soundings;
- (16) Purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any property, real or personal or any interest therein from any person, firm, corporation, city, municipality, or government;
- (17) Acquire by eminent domain any real property, including improvements and fixtures thereon except as provided in § 13-20-105;

- (18) Sell, exchange, transfer, assign, or pledge any property, real or personal or any interest therein to any person, firm, corporation, municipality, city, or government;
- (19) Own, hold, clear and improve property;
- (20) Insure or provide for the insurance of the property or operations of the authority against such risks as the authority may deem advisable;
- (21) Procure insurance or guarantees from the federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing project;
- (22) Borrow money upon its bonds, notes, debentures, or other evidences of indebtedness and secure the same by pledges of its revenues, and (subject to the limitations hereinafter imposed) by mortgages upon property held or to be held by it, or in any other manner;
- (23) In connection with any loan, agree to limitations upon its right to dispose of any housing project or part thereof or undertake additional housing projects;
- (24) In connection with any loan by a government, agree to limitations upon the exercise of any powers conferred upon the authority by this chapter;
- (25) Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control;
- (26) Sue and be sued;

- (27) Have a seal and alter the same at pleasure;
- (28) Have a perpetual succession;
- (29) Make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority;
- (30) Make and from time to time amend and repeal bylaws, rules and regulations not inconsistent with this chapter;
- (31) Conduct examinations and investigations and hear testimony and take proof under oath at public or private hearings on any matter material for its information;
- (32) Issue subpoenas requiring the attendance of witnesses for the production of books and papers and to issue commissions for the examination of witnesses who are out of the state or unable to attend before the authority, or are excused from attendance; and
- (33) Make available to such agencies, boards or commissions as are charged with the duty of abating or requiring the correction of nuisance or like conditions, or of demolishing unsafe or unsanitary structures within its territorial limits, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

CHA may acquire by purchase any property real or personal for any housing project within its jurisdiction provided the local governing body has approved the proposed public housing authority project plan which provides an outline for the development, redevelopment, construction, lease or purchase of the proposed housing project and is

sufficiently complete to indicate its relationship to definite local objectives of appropriate land use and providing decent, safe and sanitary housing for persons of low income.

Such cities or municipalities are hereby authorized to approve public housing project plans through their governing body or agency designated by it for the purpose provided, however, the governing body shall not approve a public housing project plan until a public hearing has been held by the governing body to determine the necessity for the adoption of the public housing project proposal. Notice of such public hearing shall be given by publishing once a week for three (3) consecutive weeks immediately preceding the public hearing in each newspaper of general circulation published in the City.

## **II. Housing Project Proposal**

CHA's Reverend Johnson public housing apartments (31 units) at 1901 Dodson Ave. had reached the end of their useful life and have recently been demolished under our 2004 HOPE VI Demolition Grant. All major demolition activities are now completed, although some additional grading work is expected before December, 2005. Rev. Johnson is located in the Avondale neighborhood, an early first-ring suburb of Chattanooga first developed starting in the early 1890's (see locator map, Attachment 1; and site aerial map, Attachment 2). Although neighborhood leaders have a forward vision of their neighborhood as consisting of predominately single family detached homes, they are generally supportive of redevelopment of this site with new, high-quality, multi-family affordable housing, given its location on a primary thoroughfare, its relation to nearby commercial development, and its traditional use as multi-family housing.

CHA now seeks to redevelop the existing site, along with several contiguous parcels (3.5 acres total; see parcel map of the site, Attachment 3), with 61 units of predominately townhouse-style (rowhouse type) units in small clusters, to be operated as for-rent property under the Low Income Housing Tax Credit (LIHTC) program (additionally, 37 of the units would be public housing and placed under the Annual Contributions Contract). The current working name for the new, redeveloped site is "Johnson Apartments". CHA has undertaken preliminary schematic design work for the site, has

received notice from THDA that an allocation of tax credits will be set aside for the project, and has recently accepted the tax credits by executing the Reservation Notice and returning it to THDA along with our Reservation Fee and associated documentation.

In an effort to maximize the site area to increase unit count and allow for maximum landscaping and buffering, CHA had made offers to several additional contiguous lot owners to voluntarily sell CHA their lots. None of the owners were interested in selling, so additional property acquisition is not anticipated to be a part of the project.

CHA's design goals for the development include cooperation with the Avondale Neighborhood Land Use Plan, adopted by the Chattanooga City Council on July 13, 2004, and integration of the best current thinking on neighborhood-friendly urban design. The target market for the development will be 2-5 person households with incomes less than 60% of area median income. Preliminary schematics propose primarily 2- and 3-bedroom units, with a small number of 4- and 5-bedroom units. Design and construction details must assure quality and durability, to maximize building lifetime and minimize maintenance. Superior energy performance, as objectively measured by obtaining the EPA Energy Star certification for each unit, will be a part of the program from the inception of design.

### **III. Project Location**

- Johnson Terrace is situated in the 8th City Council District and the 4th County Commission District of Hamilton County, Tennessee (the project area is right on the boundary of both City and Council Districts: to the east across Dodson Ave. are City Council District 9 and County Commission District 5). As shown in Attachment 3, the project site currently consists of 7 contiguous tax parcels totaling approximately 3.5 acres, including the parcel on which the former Rev. H.J. Johnson Apartments were located. The parcels are bounded by Dodson Avenue on the east, Ocoee St. on the north, and Camden St. on the south. CHA currently owns all parcels that will be a part of the project.

#### **IV. Housing Plan Objectives**

1. With the recent significant demolition and removal of CHA-owned affordable housing in the Avondale neighborhood (31 units at the former Rev. H.J. Johnson Apartments and 60 units at the nearby Harriett Tubman site), CHA wishes to maintain a sufficient number of affordable units in this inner-ring neighborhood, which is close to jobs and services and will be receiving increasing public and private redevelopment activity in coming years. New family-oriented and energy efficient housing in this area will bring benefits to the neighborhood and the City for many years to come.

2. CHA desires to ensure that good, viable low-income housing is available in the City, and that such housing remain and continue indefinitely. CHA works to maintain and increase the amount and quality of affordable housing in its service area.

A. Consistent with CHA's goals of providing good, viable low-income housing, CHA agrees to redevelop, maintain and operate the development at a high level of quality. Subject to its duties as Managing Partner under the Low Income Housing Tax Credit ownership entity, CHA makes a firm and binding commitment to be a vehicle through which the housing development will remain a low-income housing development for so long as (i) the housing development exists, (ii) HUD funding is provided, (iii) equity has been provided as anticipated under the Low Income Housing Tax Credit program, and (iv) there is a need for the housing development in the City. CHA will not take any action which would remove the housing development from the City's low-income housing stock without approval of the City.

B. CHA shall pay an in-lieu-of-tax payment to the City. The amounts and timing of all such payments shall be in accordance with CHA's ongoing in-lieu-of-tax agreement with the City, executed March 18, 1968.

## **V. Financing Plan**

CHA proposes to utilize a combination of Fiscal Year 2000-2005 HUD Replacement Housing Factor (RHF) funds (\$2.4 million; obtained from HUD primarily as the result of the demolition of the former McCallie Homes public housing site, now The Villages at Alton Park) and an allocation of Low Income Housing Tax Credits from the Tennessee Housing Development Agency (approx. \$4.5 million). Other smaller project financial sources will include HUD HOPE VI Demolition funding (for removal of the former units), and possibly private debt and other grant funding.

## **VI. Notice of Public Hearing**

The Chattanooga Housing Authority will hold a Public Hearing on the Johnson Apartments Public Housing Plan as authorized under the Housing Authorities Law, title 13, Chapter 20, of the Tennessee Code Annotated, as amended. Said Public Hearing will be held at 6:00 p.m. on November 15, 2005 at the City Council Room, 1000 Lindsay St., Chattanooga, Tennessee. The purpose of the hearing is to determine the necessity for the adoption of the Johnson Apartments Public Housing Plan. Copies of the plan may be inspected after October 31, 2005 at the offices of the Chattanooga Housing Authority at the hours between 8:30 am and 5:00 pm, Monday through Friday. Any person desiring to comment on the plan will be afforded an opportunity to make their comments at the hearing to determine the necessity for the adoption of the plan.

Robert N. Dull, Jr.  
Interim Executive Director

## VII. Resolutions

**Attachment 1**

**Project Locator Map**



**Attachment 2**

**Site Aerial Photo (Before Demolition)**



**Attachment 3**

**Project Parcels**