



# City of Chattanooga

## Mayor Tim Kelly

Monday, December 12, 2022

The Honorable Coty Wamp  
District Attorney  
Hamilton County District Attorney's Office  
600 Market Street, Suite 310  
Chattanooga, Tennessee 37402

**RE: Budgetel and Public Funding Inquiry**

District Attorney General Wamp,

Per our conversation on Friday, I wanted to provide your office with the information you requested as well as provide some clarity on various issues and concerns that I believe may be causing significant confusion.

Since the Hamilton County District Attorney's Office filed a petition to close the Budgetel Hotel on November 14, 2022, the City of Chattanooga has been monitoring the situation closely due to the serious risk of many of those individuals, families, and children becoming homeless. The City of Chattanooga has provided significant staff support to the Chattanooga Regional Homeless Coalition, our strategic non-profit partner on homelessness prevention and reduction, who have worked tirelessly to ensure displaced residents of the Budgetel Hotel have access to alternative shelter. Thanks to their work, hundreds of individuals were able to be temporarily sheltered—many in other extended stay motels throughout Chattanooga. Additionally, several area churches graciously opened their doors for over 60 other persons that had been displaced.

However, while many families were able to be temporarily accommodated, our Office of Homelessness and Supportive Housing staff did assist several individuals who had to sleep in their vehicles or otherwise did not have access to adequate shelter.

Furthermore, individuals who were temporarily accommodated were housed with temporary financial assistance through the Chattanooga Regional Homeless Coalition. While those dollars were generously contributed by a wide range of social service organizations and generous donors, those financial assistance funds are unfortunately running out. Together with our partners, the City of Chattanooga is exploring a range of options to ensure approximately 285 people are not left without any housing or shelter options whatsoever.

**To address your specific questions and clarify some misconceptions, we want to provide the following information:**

- Attached to this letter is an inventory tracking 115 hotel rooms housing 285 individuals (including 101 children) who have been verified by the City of Chattanooga's Office of Homelessness and Supportive Housing to be displaced former residents of the Budgetel Hotel who are now currently staying at various hotels in Chattanooga—this inventory is a working document, is subject to change, and

contains sensitive information, and **the City of Chattanooga respectfully requests the information be minimally shared and treated with the appropriate concern for affected residents' privacy;**

- All of these individuals are considered homeless per the attached final rule from the U.S. Department of Housing and Urban Development under Category 2: "*Individuals/families who will imminently (within 14 days) lose their primary nighttime residence, which includes ALL of the following: Have no subsequent residence identified AND Lack the resources or support networks needed to obtain other permanent housing.*" These attached federal criteria establish the nationally accepted and recognized definition of homelessness;
- Every individual placed in hotels with funding provided through the Chattanooga Regional Homeless Coalition is cross-referenced against a list of residents displaced by the Budgetel Hotel closure with the exception of approximately 14 individuals who were verified by United Way staff as displaced Budgetel residents with independent documentation;
- Almost every single individual placed in hotels for temporary shelter (all with the exception of two households that physically presented at the Chattanooga Regional Homeless Coalition's office) were referred by a third-party partner agency or organization;

Additionally, as I stated on the phone Friday, a significant challenge is that many of the residents have been unable to find new housing on their own due to loss of employment that resulted from displacement from the Budgetel Hotel or due to being unable to afford the more expensive rates charged by other area hotels than those charged by the Budgetel Hotel prior to its closure.

This information has been reported not only by the Chattanooga Regional Homeless Coalition, but also by City employees, social workers with Hamilton County Schools, and other local service provider agencies as they provide referrals.

I hope this information satisfies your inquiry and can help inform the State's petition as Judge Boyd Patterson considers whether or not to reopen the Budgetel Hotel. Please don't hesitate to reach out if you need any additional information.

In the meantime, the City of Chattanooga will continue to diligently work alongside our valued partners to find permanent housing and employment for any displaced residents.

Sincerely,



JODA THONGNOPNUA  
Chief of Staff  
Office of Mayor Tim Kelly  
City of Chattanooga