

City of Chattanooga



Department of Economic
Development
*Housing & Community
Investment Division (HCI)*

Public Meeting
2024-2025 Action Plan
for
Federal Entitlement
Grants
*CDBG, HOME Grants &
Program Income*

April 11, 2024
5:30 p.m. – 6:30 p.m.
Chattanooga Public Library -
Downtown Branch

Purpose

- Present anticipated Federal Entitlement Funding and allocation recommendations for the **FY 2024-2025 Action Plan**
- Present process and calendar
- Provide opportunity for comments

Sources of Funds: Entitlement Grants

Community Development Block Grant (CDBG)

- Develop viable urban communities through
 - *Decent housing*
 - *Suitable living environment*
 - *Expanded economic opportunities*

HOME Investment Partnerships Program (HOME)

- Provide decent, safe, and sanitary affordable housing to lower-income households
- Leverage private sector participation

2024-2025 Entitlement Funding & Program Income (*Estimates*)*

	CDBG	HOME	TOTAL
Grant	\$1,548,118	\$915,068	\$2,463,186
Program Income	\$371,107	\$318,161	\$689,268
Total	\$1,919,225	\$1,233,229	\$3,152,454

**Funding budgets and proposed recommendations are contingent upon actual allocations from HUD and program income.*

HUD's National Objectives

Required In Use of Funds

- Benefit low to moderate income persons;
- Aid in the prevention of slums and blight;
- Address needs having a particular urgency

2020 - 2024 Consolidated Plan

City's Goals to Address Housing & Community Development Needs

- Increase supply of affordable rental housing and housing for homeownership available to the City's low-to-moderate income households;
- Preserve existing affordable housing stock;
- Provide housing and services to special needs populations;
- Improve/increase opportunities for citizens to access/retain affordable housing;
- Support neighborhood stabilization and development through public improvements in strategic coordination with housing activities, and;
- Promote economic development activities in the City.

Target Population

The following income categories are used in grant assisted programs:

Eligible

- **Extremely low** – households with income less than 30 percent of area median income (AMI)
- **Very low** – households with income between 30 and 50 percent of AMI
- **Low** – households with income between 51 and 80 percent of AMI

Typically not eligible

- **Moderate** – households with income between 81 and 120 percent of AMI
- **Above moderate** – households with income above 120 percent of AMI

2024 Income Limits

Median Family Income: \$96,200

Maximum Annual Income, (Hourly Rate), (30% for Housing)

Household Size	Moderate Income ≤80% AMI	Low Income ≤60% AMI	Very Low ≤50% AMI	Extremely Low ≤30% AMI
1 Person	\$49,000 (\$24hr)(\$1,225)	\$36,780 (\$18hr)(\$920)	\$30,650 (\$15hr)(\$766)	\$18,400 (\$9hr)(\$460)
2 Person	\$56,000 (\$27hr)(\$1,400)	\$42,000 (\$20hr)(\$1,050)	\$35,000 (\$17hr)(\$875)	\$21,000 (\$10hr)(\$525)
3 Person	\$63,000 (\$30hr)(\$1,575)	\$47,280 (\$23hr)(\$1,182)	\$39,400 (\$19hr)(\$985)	\$23,650 (\$11hr)(\$591)
4 Person	\$70,000 (\$34hr)(\$1,750)	\$52,500 (\$25hr)(\$1,313)	\$43,750 (\$21hr)(\$1,094)	\$26,250 (\$13hr)(\$656)
5 Person	\$75,600 (\$36hr)(\$1,890)	\$56,700 (\$27hr)(\$1,418)	\$47,250 (\$23hr)(\$1,181)	\$28,350 (\$14hr)(\$709)

HUD 2024 Fair Market Rents:

0 Br - \$1,068 1 Br - \$1,085 2Br - \$1,232 3Br - \$1,569 4Br - \$1,784

CDBG projects/programs will use the most recent HUD published Fair Market Rents.

HOME projects/programs will use HUD published High and Low HOME Rents

FY 2024– 2025 CDBG Funding Recommendations

Applicant	Request	Recomm.
CHATTANOOGA COMMUNITY HOUSING DEVELOPMENT (CCHDO) To provide roof repair and replacements for appx. 28 LMI homeowners.	\$300,000	\$300,000
CHATTANOOGA NEIGHBORHOOD ENTERPRISE To assist approximately 9 homeowners with major home improvements through housing renovation program.	\$500,000	\$500,000
CHATTANOOGA NEIGHBORHOOD ENTERPRISE Community engagement initiative to empower residents to advocate for and oversee the management of their neighborhoods (Ridgedale and Oak Grove)	\$149,330	\$0
CHATTANOOGA NEIGHBORHOOD ENTERPRISE Homebuyer education and counseling	\$150,900	\$18,750
FAMILY PROMISE Rapid rehousing and overnight shelter services	\$65,000	\$65,000
PATHWAYS YOUNG ADULT PROGRAM Organizational operations	\$407,050	\$0
PROJECT RETURN Funds to renovate six affordable housing units to rent to formerly incarcerated individuals	\$238,116	\$0
Subtotal	\$1,810,396	\$883,750

FY 2024– 2025 CDBG Funding Recommendations

Applicant	Request	Recomm.
HCI & CITY PROGRAMS		
COMMUNITY DEVELOPMENT – GRANT ADMINISTRATION* Grant administration, management, and compliance monitoring.	\$383,845	\$383,845
SALVATION ARMY Rapid rehousing and rent and utility assistance for individuals experiencing homelessness	\$150,000	\$150,000
HCI AFFORDABLE HOUSING PRESERVATION* Funding for affordable rental and homeowner housing preservation programs.	\$501,630	\$501,630
Subtotal	\$1,035,475	\$1,035,475
TOTALS	\$2,845,871	\$1,919,225

**Funding budgets and proposed recommendations are contingent upon actual allocations from HUD and program income. Budget and funding recommendations for Admin and HCI Housing Assistance and Preservation Programs will be decreased/increased by corresponding decreases or increases in total funding.*

FY 2024– 2025 HOME Funding Recommendations

Funding is allocated to projects through open RFP solicitations throughout the year.

AFFORDABLE HOUSING PRESERVATION AND PRODUCTION	\$972,646
MINIMUM REQUIRED CHDO SET-ASIDE	\$137,260
GRANT ADMINISTRATION	\$123,323
TOTAL	\$1,233,229*

**Funding budgets and proposed recommendations are contingent upon actual allocations from HUD and program income. Budget and funding recommendations for Admin, CHDO Set-aside, and Preservation/Production Programs will be decreased/increased by corresponding decreases or increases in total funding, for adherence to minimum and maximum caps.*

FY 2024 – 2025 Funding Recommendations by Category

Affordable Housing – Preservation & Production	\$2,411,536	76%
Blight, Sidewalks	\$0	0%
Services and Housing for Homeless and At-Risk	\$215,000	7%
Economic Development	\$0	0%
General Public Services	\$18,750	<1%
Grant Administration	\$507,168	16%
TOTAL	\$3,152,454	100%

Application and Funding Recommendations Timeline

Preparing Action Plan, making available for 30-day public comment period, and submitting to HUD

March 27, 2024	Publish notice on funding recommendations and availability of Draft Action Plan for review and comments
March 28 – April 26	30 – Day Public Comment Period
April 11, 2024	Public Meeting – Providing highlights of Action Plan
April 12, 2024	Presentation to City Council
April 30, 2024	City Council Approval - Resolution
May 13, 2024	Submit Action Plan to HUD
June 2024	Creating and signing contractual agreements
July 1, 2024	Fiscal Year for funded activity and expenditures begins

Questions?
Comments?

HCI:(423) 643-3700; 643-7332
101 East 11th Street, Suite 200
Chattanooga, TN 37402

Geographic Target

Low/Moderate Income Census Tracts

