

Attachment 4

Comments

Public Meeting and Action Plan- CDBG and HOME FY 2023- 2024

City of Chattanooga, Housing & Community Investment

April 10, 2023

East Lake Community Center

Staff Present: Sandra Gober, Regina Partap, Christian Haigler, Joshua Huffman, Lindsey Dawson, and Rod Morton

Participants: 10

Introductions – Sandra Gober, HCI manager presenting

Present anticipated Federal Entitlement Funding and allocation recommendations for the FY 2023-2024 Action Plan

Sources of funding – HOME (year-round) and CDBG (annually)

2023-2024 Fiscal Year entitlement funding and program income

- Total CDBG: \$1,541,000 and HOME: \$918,000
- Total Program income: \$3,191,716
- CDBG Program Income: \$267,034
- HOME Program Income: \$465,682

Overview of the 2020-2024 Consolidated Plan

- 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
- Priorities for Consolidation Plan 2020-2025
 - o New construction of rental housing and homeownership housing, preservation of existing affordable housing stock and housing services
 - o Homeless Services – permanent housing and services
 - o Economic Development activities, Public Facilities improvements, Blight Elimination, Public Services

Target Populations

- Target Populations – 80% or below, 2022 income limits chart (will change July 2023)-
- 2020 low-mod income census tracts map (only applies to a few CDBG activities)

2023-2024 Funding Recommendations

Community Development Administration

CDBG: \$361,606; HOME: \$138,368

Administration, management, and monitoring

Section 108 Debt Service

CDBG: \$317,000

City and HCI Projects/Programs

CDBG: \$194,628

\$119,628 for development and preservation of affordable rental and homeowner housing and \$75,000 for demolition/spot blight elimination.

CCHDO Roofing Program

CDBG: \$300,000

Roof replacements and repairs for qualified homeowners.

Good Neighbors

CDBG: \$150,000

Renovation of Whiteside's Faith Manor at 735 E 10th St

Chattanooga Neighborhood Enterprise

CDBG \$400,000

Housing renovation program for low-income homeowners

Consumer Credit Counseling Service

CDBG: \$84,800

credit counseling services to low/moderate income residents

CHDO Set Aside

HOME: \$137,700

Housing preservation and production

HCI Affordable Housing Projects

HOME: \$1,107,614

Preservation and production of affordable rental and homeowner housing

Grand Total..... \$3,191,71

The following projects did not receive funding:

Chattanooga Neighborhood Enterprise CDBG request of \$476,000 for public infrastructure being proposed at 2003 Bailey Ave

Orange Grove Center CDBG: \$150,900 Renovation of group home

Habitat for Humanity of Greater Chattanooga CDBG: \$25,000 - application withdrawn

CHATT Foundation CDBG: \$733,000 Construction of equitable restrooms at homeless shelter

- Questions about who was (or was not) funded can be answered at this meeting.
- Chatt Foundation was not funded due to the size of the project and resources.
- Orange Grove – renovation is a housing related activity and can utilize funding from HOME.
- CNE infrastructure not funded because of significant size of project and they were not ready to provide all relevant info and plans for the project

Next steps after meeting:

April 25th - City Council approval and resolution

April 26th - notify applicants

May 12th - submit action plan to HUD

June 2023 – Contractual agreements with subrecipients

July 1st – Fiscal Year for funded activity and expenditures begins

Questions

Q: Is there a minimum on HOME?

A: \$1,000 min on HOME, max is \$40,000 per unit. The maximum funding for each unit may be increased in the future. If we have the funding and the pro-forma demonstrates the need for more funding, it would be considered.

Q: What date are the Applicants, and the contracts start? What about subcontractors for the recipients?

A: July 1, 2023 – follows federal procurements. The subcontractors will be able to work with the recipients after July 1.

Q: Do the recipients have only a year to spend their money?

A: We used to give just 1 year to expend funding, but have extended it by 3-5 years (max).

Q: 2022 Fair Market rents- will the City start using the 2023 FMR put out by HUD?

A: HUD releases the new FMR in the spring but it will not go into effect until July 1, 2023. Increases are going to take into account inflation, rising cost of constructions, housing market, etc.

Q: Is it okay to increase the rent when the FMR rents are in effect?

A: No

Q: Are the LMI incomes after taxes?

A: no, it is based on Gross income (before taxes)

Q: Participant would like to know more information on the 1.5 million amendments on CBDG-CV

A: Instead of using the 1.4 for the hotel, we are going to put out an RFP for programs and projects for eligible uses. Once it gets approved, we will put out a NOFA

Q: The deadline for this funding has passed, what can I do if I have a rental unit that needs work?

A: landlord renovation funding is open all year – so it RRR \$4,900

The period of affordability for landlord renovation depends on the amount. Home funding could range 7-20 years