

City of Chattanooga
Department of Economic Development
Division of Housing and Community Investment
(HCI)



**Application Instructions
Community Development Block Grant Cares Act
(CDBG-CV) Funding**

**Application Deadline:
August 21, 2023
No Later Than 4:00 p.m.**

Submit One (1) Electronic Version to:
hci@chattanooga.gov and copy sgober@chattanooga.gov

Application Instructions for CDBG-CV

Please read the instructions and review the application carefully before completing and submitting. Some items have changed.

A separate application must be completed for each different project/program/activity. Applications received after the deadline **will not** be considered for funding. Failure to submit complete, required documents may also result in the request being disqualified. If an item is not applicable, please indicate with "N/A."

To be considered for funding, all required documents must be completed and one (1) electronic copy submitted no later than **Monday, August 21, 2023, by 4:00 pm.**

NO AGENCY IS GUARANTEED FUNDING. EACH YEAR'S REQUEST IS EVALUATED SOLELY ON ITS OWN MERIT. THE LEVEL OF AWARD IS SUBJECT TO THE AVAILABILITY OF FUNDS. Past funding is not a guarantee the City will fund a program or service in the future. The City reserves the right to increase or decrease any or all funding requests to maximize effectiveness or to satisfy budget parameters.

Required Documents:

1. A Cover Letter specifying:

- a. The name and address of the non-profit organization;
- b. The agency's mission;
- c. The funding amount being requested, name of program/project/activity, and specific, proposed use of funds;
- d. The name, address, and telephone number of a specific contact person within the organization that can be contacted for additional information, if necessary.

2. Completed Application Form, including Application Checklist

3. Required Attachments/Supplemental Information:

- a. Agency-wide, board approved most recent Annual Operating Budget
- b. Charter of the non-profit organization filed with Tennessee Secretary of State. If the Name on the Charter does not match the Agency's current name, please ensure any amendments or merger documents filed with the State are provided;
- c. Document indicating Non-Profit Tax Exemption Status for the non-profit organization under the Internal Revenue Code, such as an IRS Determination Letter;
- d. Most recent IRS Form 990 as filed with the IRS;
- e. The most recent Annual Audit (if applicable) of the non-profit organization, prepared by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards. Fiscal Year 2021-22 Audited Financial Statements are preferred. If 2021-22 annual audit is not yet available, then please provide the most recent audit (2020-21), as well as an engagement statement noting when the 2021-22 audit will be completed and submitted to the City.
- f. If the agency is not required to file Form 990 with the IRS or have an independent audit report due to other funding requirements, annual financial statements prepared by the agency or compiled by an accountant must be submitted with request.
- g. Provide a list of full time, part time, and contract employees associated with the project/program; staff biographies/resumes, description of their roles in the project/program; and job descriptions.

- h. List of the Board of Directors, including position, contact information, and number of years served;
- i. Board approval for application submittal for the specified project(s);
- j. If project involves construction, project write-up and a certified cost estimate from qualified contractor, engineer, or architect – as applicable;
- k. Certification regarding debarment; and
- l. Certification of Conflict of Interest
- m. Section 3 Business Concern Certification
- n. Section 3 Resident Certification (if required for Section 3 Business Certification)
- o. Acknowledgement and Intent to Comply with Section 3 (for applications of \$100,000 or more)

Under item 3 above, (Required Attachments/Supplemental Information), for City of Chattanooga and Hamilton County government, only a, g, and j are applicable, and a departmental/project budget is acceptable.

Electronic Copy

1. By the submission deadline, agencies must also submit the entire application, via email, to: **hci@chattanooga.gov** and copying **sgober@chattanooga.gov**. Please put “(Agency Name) CDBG-CV Request” in the subject line. **(Example: ABC Organization CDBG-CV Request #2).**

Please submit the electronic copy in PDF, organized in the order of the Application Checklist. If the entire file is too large and has to be divided, separate by submitting the Cover Letter & Completed Application (items under 1 & 2) as one file and Attachments/Supplemental Information as one file. Name file(s) using the following format:

<Agency Name> < CDB-CV Request><Grant and Program Name>. **Example:**
ABC Organization CDBG-CV Request 1 Homebuyer Program

If submitting as two separate files name attachment file as follows: <Agency Name> < CDBG-CV Request><Grant and Program Name><ATTACHMENTS>. **Example:** *ABC Organization CDBG-CV Request 1 Homebuyer Program ATTACHMENTS*

If submitting more than one application, complete an application for each proposed program/project.

Technical Assistance Sessions

Technical assistance sessions are available, by appointment, during the pre-submittal period. Appointments can be scheduled with HCI staff for times between 9:00 a.m. and 3:30 p. m. Please call (423) 643-7332 to schedule an appointment.

Available Funding, Priorities, and Application Guidelines

I. Available Funding

In response to combating the effects of COVID-19, the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant COVID (CDBG-CV) funds to eligible communities across the nation. The City has \$1,448,782 available and targeted for eligible projects/programs/activities.

II. Eligible Programs/Activities

In general, CDBG-CV funds can be used for the same wide range of activities that are eligible under the annual CDBG program. However, the CARES Act requires that all funding provided for activities assisted with CDBG-CV funds must:

- Be used to prevent, prepare for, and respond to coronavirus,
- Adhere to policies and procedures to prevent duplication of benefits, and
- Meet one of the CDBG National Objectives

Tieback to Coronavirus - The proposed project must be designed to prevent, prepare for, or respond to the coronavirus. Applicants must demonstrate and be able to document a logical relationship between the benefits of the assisted activity and the effects of the coronavirus. This tieback may relate to the current pandemic and may also relate to mitigating potential future coronavirus pandemic impacts. An applicant may also undertake activities to address the indirect effects of the virus, such as the economic and housing market disruptions caused by social distancing measures and stay-at-home orders implemented to prevent the spread of coronavirus.

Duplication of Benefits – Applicants must ensure no duplication of funding or assistance with other FEMA Disaster Relief Fund and Public Assistance, Treasury Coronavirus Relief Fund, USDA programs, or duplications with previously committed and available local financial resources.

City Priorities for CDBG-CV Funds

- Preservation of existing affordable housing stock;
- Housing and services to special needs populations;
- Opportunities for citizens to access/retain affordable housing;
- Public improvements in coordination with housing activities, and;
- Economic development activities in the City.

Major categories of eligible programs/activities for which funding can be requested include:

- Housing - Related Activities
- Public Facilities and Improvements
- Public Services
- Economic Development

HOUSING-RELATED ACTIVITIES

Under this category grantees may rehabilitate or reconstruct or convert structures, provide homeownership assistance, and housing counseling. This includes all activity costs such as applicant intake, construction specs and procurement, and construction. All activities must result in the achievement of a CDBG national objective, typically by providing housing to an LMI household.

Examples of eligible housing-related activities

<ul style="list-style-type: none">• Rehabilitation: Single and Multi-Unit Residential• Direct Homeownership Assistance• Housing Counseling• Public Housing Modernization	<ul style="list-style-type: none">• Energy Efficiency Improvements• Rehabilitation Administration• Lead-Based Paint/Lead Hazard Test/Abatement• Code Enforcement
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PUBLIC FACILITIES AND IMPROVEMENTS

Funding may be used to acquire, construct, reconstruct, or rehabilitate a public facility or improvement. All activities must result in achievement of a CDBG national objective, typically by providing access to a facility or improvement to an LMI clientele or to LMI persons residing in a qualified area.

Existing public facility structures can be modified to prevent the transmission of the coronavirus and allow for adequate social distancing or remote access. Public infrastructure improvements can also help alleviate the immediate or long-term social, economic, and public health impacts of the current COVID-19 pandemic and prevent the coronavirus's future spread.

Examples of eligible public facilities and improvements

<ul style="list-style-type: none">• Senior Centers• Facility for Persons with Disabilities• Homeless Facilities (not operating costs)• Youth Centers/Facilities• Neighborhood Facilities• Parks, Recreational Facilities• Parking Facilities• Solid Waste Disposal Facilities	<ul style="list-style-type: none">• Flood and Drainage Facilities• Water/Sewer Improvements• Sidewalks• Child Care Centers• Fire Stations/Equipment• Health Facilities• Removal of Architectural Barriers
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PUBLIC SERVICES

CDBG-CV funds may be used to provide a new or increased level of a public service. All activities must result in achievement of a CDBG national objective, typically by providing services to an LMI clientele or to LMI persons residing in a qualified area.

Examples of eligible public services

<ul style="list-style-type: none">• Operating Costs of Homeless/Aids Patients Programs• Senior Services• Services for Persons with Disabilities• Legal Services• Youth Services• Substance Abuse Services• Services for victims of domestic violence, dating violence, sexual assault or stalking• Employment Training• Crime Awareness/Prevention• Fair Housing Activities	<ul style="list-style-type: none">• Tenant/Landlord Counseling• Child Care Services• Health Services Abused and Neglected Children• Mental Health Services• Screening for Lead-Based Paint/Lead Hazards Poisoning• Subsistence Payments• Security Deposits• Food Banks• Housing Information and Referral Services• Housing Counseling
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ECONOMIC DEVELOPMENT ACTIVITIES

Grant funds may be used to assist commercial or industrial activities or provide direct financial or technical assistance to for profit businesses. All activities must result in achievement of a CDBG national objective, typically by creating or retaining permanent LMI jobs or serving an LMI area. Project examples range from working capital loans, to neighborhood store expansion, to construction of railheads and seaports.

Examples of eligible economic development activities

<ul style="list-style-type: none">• Rehabilitation: Publicly or Privately Owned Commercial/ Industrial• Commercial/Industrial Land Acquisition/ Disposition• Commercial/Industrial Infrastructure Development• Commercial/Industrial Building Acquisition, Construction, Rehabilitation	<ul style="list-style-type: none">• ED Direct: Financial Assistance to For-Profit Businesses• ED Direct: Technical Assistance• Micro-Enterprise Assistance
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IV. Eligible Applicants

- Governmental entities (City and County government)
- Non-profit entities with a designated 501(C)(3) status and having been in existence for a minimum of two years as of August 1, 2021
 - Have the authority to submit the application and to carry out the proposed project/activity pursuant to its charter and by-laws.
 - Can provide information demonstrating organizational capacity to undertake and successfully carryout proposed activity.
 - In good standing with City of Chattanooga
 - Registered in SAM.gov and have a UEI number

V. Funding Duration, Reporting Requirements and General Regulatory Compliance

Project funding will be available on or about **September 26, 2023**. All projects should be designed to begin immediately and conclude within twenty four months. The City does not want to grant funds to projects that are not ready to start at the expense of another project/program that is prepared to so.

Housing and Community Investment programs are operated on a reimbursement basis. Projects do not receive advance funds. Agencies committing or expending funds prior to signing an agreement with the City will not be reimbursed.

All projects must comply with the federal regulations applicable to the individual project activities. These regulations could include (but are not limited to): Environmental Review, federal procurement standards, Fair Housing and Equal Opportunity regulations, lead-based paint regulations, and federal fiscal/audit standards. Projects are monitored through technical assistance, site visits, and formal file reviews.

Regulations specifically related to CDBG-CV can be found at:
<https://www.hudexchange.info/programs/cdbg/> and under 24 CFR Part 570.

VI. Completing Application and Components

A complete application will contain:

- a. Cover Letter
- b. Application Checklist
- c. Application Form
- d. Attachments/Supplemental Information

The application is fillable (insert requested information/data or check applicable box) in the spaces provided. Do not rearrange the information/tables. Information should be provided as requested. If an item is not applicable, please indicate with "N/A". Incomplete information may result in the application not being reviewed. Keep responses to narrative questions as brief, concise, and complete as possible. Do not include attachments or supplemental information that is not pertinent to request.

Cover Letter – should be on agency letterhead and include:

- a. The name and address of the non-profit organization;
- b. The funding amount being requested, name of program/project/activity, and specific, proposed use of funds, and tieback to COVID;
- c. The program Federal Objective/Outcomes
- d. The name, address, and telephone number of a specific contact person within the organization that can be contacted for additional information, if necessary.

Application Checklist - the application checklist should be completed last, ensuring that all requirements are met.

Application Form

Insert requested information where indicated. Guidance/explanations are being provided, for some sections, to assist applicant with submitting the correct information.

Section I – self explanatory

Section II - Objectives, Outcomes, Results Areas

Recipients are required to clearly define the project/program/activity, establish and track measurable goals and assess the outcomes. To be considered for funding, at minimum, the project/program/activity must be eligible and:

- Be used to prevent, prepare for, and respond to coronavirus,
- Adhere to policies and procedures to prevent duplication of benefits, and
- Meet one of the CDBG National Objectives

A. National Objective – check the applicable National Objective from the first row and the applicable sub-category

1. Activities Benefiting L/M income persons – activities that provide direct benefit to persons or households (programs, services)
 - a. Area Benefit (LMI Census Tract only) – program/services are for L/M citizens living in a specified LMI Census Tract
 - b. L/M Limited Clientele – program/services will only be available to a specified group of LMI persons or households
 - c. L/M Housing – housing activities for LMI households

- d. L/M Jobs - Create/Retain – programs/services providing economic opportunities/training to LMI persons
2. Prevention/Elimination of Slums or Blight
 - a. Slums and Blight Area Basis – projects designed to address blight over a targeted, specified, eligible area (i.e. clearing out an entire block of blighted structures in a L/M Census Tract)
 - b. Slums and Blight Spot Basis – activities that eliminate a blighting issues scattered throughout an eligible area (demolishing a sub-standard structure/condemned house in a neighborhood)
 - c. Slums or Blight in an Urban Renewal Area – addressing blight in an area officially designated as an Urban Renewal Area

B. Geographic Area – Self explanatory

C. *Goals and Objectives - Program/Project/Activity Will Address*– check the applicable box, provide information where applicable. If none of the boxes in the charts under ***Goal Name***, ***Needs Addressed***, or ***Goal Outcome Indicator*** are applicable, insert information in blank spaces provided under each category.

Public Services - Because Public Services activities can vary widely, applicants will have to supply the necessary information under the ***Needs Addressed*** and ***Goal Outcome Indicator*** columns.

Section III - Budget and Funding Information

The budget should, clearly, provide sufficient details for the reviewer to be able to quickly ascertain the amount of funding that is being requested, exactly which costs the request will cover, other funding in the project, and the source of the other funds. In **Section V**, additional details should be included, i.e. when and how CDBG-CV funds, and any other funds, will be utilized.

Section IV – Project Beneficiary Statistics

This section is capturing a summary of proposed and past accomplishments, if applicable, for the activity/project/program.

Section V – Program/Project/Activity Details – Narrative – self-explanatory, provide information requested.

VII. Application Evaluation Process and Timeline

Evaluation and Scoring Criteria - The City will use the following criteria in evaluating applications:

1. The program or service must conform to CDBG-CV requirements. **Applicants must demonstrate and be able to document a logical relationship between the benefits of the assisted activity and the effects of the coronavirus.** Applicants must also ensure no duplication of funding or assistance with other FEMA Disaster Relief Fund and Public Assistance, Treasury Coronavirus Relief Fund, USDA programs, or duplications with previously committed and available local financial resources.

The CARES Act requires that all funding provided for activities assisted with CDBG-CV funds must:

- Be used to prevent, prepare for, and respond to coronavirus,
- Adhere to policies and procedures to prevent duplication of benefits, and
- Meet one of the CDBG National Objectives

2. The program or service will be evaluated for program efficiency, including the number of residents assisted, per dollar of CDBG-CV funding, the extent to which CDBG-CV funds will leverage funding from other sources, the avoidance of program/benefits duplication, and the intended outcomes.
3. The applicant's ability to meet administrative requirements, including demonstrating the capacity to undertake proposed project/program, complete it in a timely manner, and expend awarded funds within twelve months.
4. Housing and Community Investment (HCI) staff will review and score proposals and make recommendations for funding to the City Council at a public hearing in September. The maximum possible points an application can receive is **120**. To be considered for funding applications must have a minimum score of **80** points.

The following score sheet will be used in assessing and ranking applications.

**Housing and Community Investment
Application Review and Scoring Form
CDBG-CV FUNDING**

*Housing and Community Investment (HCI) staff will review and score proposals and make recommendations for funding to the City Council at a public hearing in September. The maximum possible points an application can receive is **120**. To be considered for funding applications must have a minimum score of **80** points.*

Project/Program Eligibility

1. Does entity meet the requirements to be an eligible applicant? Yes No

If no, brief explanation:

2. Does proposed project/activity tieback to Coronavirus? Yes No

If no, brief explanation:

3. Is proposed project/activity eligible for funding? Yes No

If no, brief explanation:

Note: An answer of "No" to any of the above will result in the application not being eligible for funding considerations.

A. Organizational Capacity (Max. 50 Points)

- | | |
|---|--|
| 1. Years entity has been in operations: (2-4 yrs. - 2 points) (>4 yrs. – 5 points) | |
| 2. Prior experience managing Federal or other grants?: (No – 0 points) (Yes – 5 points) | |
| 3. Entity has a favorable history pertaining to City, HCI,-HUD funded projects. (0 – 5 points) | |
| 4. Entity has no known issues that could affect its ability to manage federal grants. (Agree -5 points) (Not sure – 0 points) | |

Entity appears to have:

- | | |
|---|--|
| 5. Adequate staff capacity for activity/program/project. (0-5 points) | |
| 6. Sound organization and management structure. (0-5 points) | |
| 7. Sound financial management system. (0-5 points) | |
| 8. Structured Board providing oversight. (0-5 points) | |
| 9. Prior experience in carrying out proposed activity. (0-5 points) | |
| 10. Adequate resources to remain an ongoing entity. (0-5 points) | |
| 11. Entity has one or more other City-funded grants with unexpended balances, or has City-funded activities/projects in progress that could impact ability to successfully undertake, carryout and complete proposed activity. (deduct 0 to 20 points) | |

Total Organizational Capacity 0

B. Application Completeness and Project Feasibility (Max. 70 Points)

- | | |
|---|--|
| 12. Provides a clear description of need/problem. (0-5 points) | |
| 13. Provides a tieback to COVID-19 that is clearly and rationally articulated. (0-15) | |
| 14. Provides clear objectives and outcomes. (0-5 points) | |
| 15. Request is consistent with needs and objectives. (0-5 points) | |
| 16. Tasks are clearly identified and described. (0-5 points) | |
| 17. Cost estimates and budget are reasonable - certified/reliable source. (0-5 points) | |
| 18. Project/activity/program appears to be financially sound. (0-5 points) | |
| 19. Project/activity/program is leveraged with other funding. (0-5 points) | |
| 20. Proposed schedule is realistic. (0-5 points) | |
| 21. Applicant has a plan for future continuity of project without CDBG-CV funding. (0-5 points) | |
| 22. Is the proposed activity/program/project an unnecessary duplication of an existing program? (Yes – 0 points) (No – 5 points) | |
| 23. Through proposal, does applicant demonstrate local collaboration without duplication of efforts or benefits? (No – 0 points) (Yes – 5 points) | |

Total for Application Completeness and Project Feasibility 0

Total Application Points 0

Application & Timeline for (CDBG-CV)

Housing and Community Investment staff will review proposals and make recommendations to the City Council at a public hearing in September. Applicants will be contacted if there are questions about their proposal. Funding approvals/denials are expected to be known by September 2023. The timeline is tentative and predicated on HUD funding announcement.

July 14, 2023	Release NOFA
July 18, 2023	Applications Available
July 28, 2023	Application Workshop – Glenwood Community Center 2:00pm – 4:00pm
August 21, 2023	Applications Due by 4:00pm
August 22 – 31, 2023	Application Review & Funding Determinations Process
September 26, 2023	City Council Approval of Funding Recommendations
Technical assistance relative to eligible uses of funds, requirements and processes is available up to EOB August 20, 2023.	

Supplemental Data

**2023 - 2024 Income Limits and Fair Market Rents
Chattanooga (TN-GA MSA)
Effective June 15, 2023**

Household Size	30% AMI (Very Low Income)	50% AMI (Low Income)	60% AMI (Low Income)	80% AMI (Moderate Income)	120% AMI (Middle Income)
1 Person	\$ 16,750	\$ 27,900	\$ 33,480	\$ 44,600	\$ 66,850
2 Person	\$ 19,150	\$ 31,850	\$ 38,220	\$ 51,000	\$ 76,400
3 Person	\$ 21,550	\$ 35,850	\$ 43,020	\$ 57,350	\$ 85,950
4 Person	\$ 23,900	\$ 39,800	\$ 47,760	\$ 63,700	\$ 95,500
5 Person	\$ 25,850	\$ 43,000	\$ 51,600	\$ 68,800	\$ 103,150
6 Person	\$ 27,750	\$ 46,200	\$ 55,440	\$ 73,900	\$ 110,800
7 Person	\$ 29,650	\$ 49,400	\$ 59,280	\$ 79,000	\$ 118,450
8 Person	\$ 31,550	\$ 52,550	\$ 63,060	\$ 84,100	\$ 126,100

Fair Market Rents (Effective June 15, 2023)

Efficiency	1BR	2BR	3 BR	4BR	5BR
\$ 910	\$ 919	\$ 1,067	\$ 1,372	\$ 1,619	\$ 1,862

Low - Mod Income Census Tracts

