

City of Chattanooga
Department of
Economic and Community Development



**Application Instructions
for
Community Development Block Grant (CDBG)
FY 2016-2017 Funding**

**Application Deadline:
December 18, 2015
No Later Than 4:00p.m.**

Submit One(1) Original Hardcopy to:
City of Chattanooga
Department of Economic & Community Development
Attn: Community Development
101 E. 11th Street, Suite 200
Chattanooga, TN 37402

Submit One (1) Electronic Version to:
commdev@chattanooga.gov
<http://www.chattanooga.gov/economic-community-development/community-development/requests-for-proposals>

Application Instructions for FY 2016 – 2017 CDBG

Please read the instructions and review the application carefully before completion and submission. Some items have changed.

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

To be considered for funding, all required documents must be completed and one (1) hardcopy and one (1) electronic copy submitted no later than Friday, December 18, 2015, by 4:00 pm.

Required Documents:

1. A one (1) page Cover Letter specifying:

- a. The name and address of the non-profit organization;
- b. The agency's mission;
- c. The amount of money being requested from the City including grant type;
- d. The name of the program(s),
- e. The program Federal Objective/Outcomes along with a City Results Area; and
- f. The name, address, and telephone number of a specific contact person within the organization that be contacted for additional information, if necessary.

2. Completed Application Form

3. Required Attachments/Supplemental Information:

- a. Copy of the agency-wide, board approved Annual Operating Budget for the non-profit organization effective at the time of the request
- b. Copy of the 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 included;
- c. Copy of the document indicating Non-Profit Tax Exemption Status for the non-profit organization under the Internal Revenue Code, such as an IRS Determination Letter;
- d. Copy of the most recent IRS Form 990 as filed with the IRS;
- e. Copy of the most recent Audit of the non-profit organization. Must be for 2014 or later (Fiscal Year 2015 Audited Financial Statements are preferred);
- f. A list of the Board of Directors, including position, contact information, and number of years served;
- g. Board approval for application submittal
- h. If project involves construction, project write-up and a certified cost estimate from qualified contractor, engineer, or architect – as applicable.
- i. Certification regarding debarment

Hardcopy

1. For each application, agencies must submit one (1) original hardcopy of application and attachments to the Community Development Office. Application must be 12 point font. Application and attachments must also be three hole punched. All pages of the application and required supplemental materials are to be submitted together. If agency submitting more than one request, please distinguish by numbering applications. (**Example:** ABC Organization FY2016-2017 CDBG Request 1, etc.)

Electronic Copy

1. Agencies must also submit the entire application via email to: **commdev@chattanooga.gov** by the submission deadline. Please put “(Agency Name) FY 2016-2017 CDBG Request” in the subject line. (**Example:** ABC Organization FY2016-2017 CDBG Request) If submitting more than one request please distinguish by numbering applications. (**Example:** ABC Organization FY2016-2017 CDBG Request 1, etc.)

Please submit the requested documents in two (2) PDF files as follows:

- I. Agency Cover Letter and Application Packet(s) – A Separate PDF is required for each application. Save Document Name as: <Agency Name> <FY 2016-2017 CDBG Request><Grant and Program Name>. **Example:** ABC Organization FY2016-17 CDBG Request 1 HomebuyerProgram
- II. Attachments - One PDF file to include all documents in Section 3 listed in the following pages under instructions (see page 3). Save Document Name as: <Agency Name> <FY 2016-2017 CDBG Request><Grant and Program Name><ATTACHMENTS>. **Example:** ABC Organization FY2016-17 CDBG Request 1 HomebuyerProgram ATTACHMENTS

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

Available Funding, Priorities and Areas of Focus

City anticipates* having approximately \$1,000,000 available for projects/programs as follows:

| | |
|-----------------------------------|--------------------|
| CDBG Allocation | \$1,654,122 |
| Program Income | <u>135,000</u> |
| Total | <u>\$1,789,122</u> |
| Less: CD Admin | (356,000) |
| Section 108 Loan | <u>(430,000)</u> |
| Estimated Funding To Be Available | <u>\$1,003,122</u> |

*Amounts are estimates based on previous years' data

Priorities

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.

Shrinking funding levels has reduced the number and range of projects the City can consider for funding using CDBG funds. The funds must be targeted to activities/programs that can deliver the most to the community with the least amount of subsidy. To ensure the funds are targeted/utilize in the most efficient, effective and impactful manner the City will strategically focus Fiscal year 2016 – 2017 on housing and projects and programs in support of housing.

The City of Chattanooga is seeking to partner with eligible non-profit agencies to carry out activities that benefit low- and moderate-income City of Chattanooga residents that fall within two eligible categories:

1. Housing projects, including emergency and minor home repair and
2. Programs/projects in support of housing.

Eligible applicants are entities that have been in existence for a minimum of one year.

The City will only be considering proposals in support of projects/programs for housing and housing related activities that contribute to:

- A. Preserving housing (rehab),
- B. Increasing inventories (development),
- C. Improving/providing access (downpayment assistance, counseling, education)
- D. Preventing the loss of housing or access to housing (education, counseling),
- E. Stabilizing and/or re-housing families or individual who are homeless or at risk of becoming homeless (education or supplemental assistance), or
- F. Neighborhood stabilization and development through public improvements/blight elimination in strategic coordination with housing activities.

Eligible programs/activities

Eligible programs/activities include the following:

- Homeownership Assistance
- Rehabilitation and Reconstruction of Rental and Homeowner Housing
- Conversion of Existing Structures for Housing
- Housing Counseling
- Housing Services
- Fair Housing Activities
- Community/Neighborhood Stabilization
- Public Improvements/Blight Elimination

Housing Activities

Homeownership Assistance - Allows for direct assistance to facilitate and expand homeownership for low- and moderate-income households. Funds may be used to subsidize interest rates and mortgage principal amounts to make loan payments affordable, including the making of grants to reduce the effective interest rates charged on the loans. Low- or no-interest subordinate loans can also be used to reduce overall loan repayment amounts to make the price more affordable.

Rehabilitation and Reconstruction - Supporting the preservation of affordable housing for rental and homeownership, CDBG funds may be used to rehabilitate and reconstruct housing. CDBG funds may be used in a variety of ways to rehabilitate publicly and privately-owned buildings for residential purposes as well as convert existing non-residential structures to residential use.

Activities in Support of Housing

Some activities/programs under this category are subject to the 15 percent expenditure cap governing public service activities. The following are some examples of activities in support of housing that may be funded with CDBG.

Housing Counseling

The objective of housing counseling is to expand access to affordable housing opportunities. Programs should be designed to provide information, advice, and assistance to homebuyers, homeowners, and/or renters with the goal of preventing loan defaults, foreclosures, or non-payment of rents. It is important to be able to track performance against these measures. These programs should complement local “bricks and mortar” programs that provide units.

- Pre-purchase Housing Counseling which generally consists of information on financial responsibilities, budgeting, housing needs, housing quality, maintenance requirements, and other costs associated with a home purchase.
- Homeownership Counseling emphasizing financial management, debt management, and maintenance needs along with default counseling, foreclosure prevention counseling, and relocation counseling.

- Renter Counseling. Counseling for delinquent renters, for tenants facing eviction, for educating landlords and tenants on respective rights and responsibilities.

Housing Services

A critical component of addressing the needs of homeless families and individuals is the availability of affordable housing opportunities for those who are homeless or at risk of homelessness. The priority for the use of CDBG in this area is to assist supportive services/programs with the primary goals of preventing homelessness and/or moving families and individuals to self-sufficiency and permanent housing through rapid re-housing.

Fair Housing Activities

These activities are directed toward increasing housing choice and informing the community about fair housing rights. Fair housing activities are eligible as administrative activities, subject to the 20 percent planning and administration cap, but as an administrative and planning activity.

Neighborhood Stabilization and Community Improvements

Activities in this category are limited to public improvements or the elimination of blight that are in strategic coordination with housing activities.

Objectives, Outcomes, Results Areas

Recipients of federal funding are required to assess the outcomes of projects/programs by establishing and tracking measurable goals and objectives. All approved applicants will be required to comply with the Performance Measurement System. Additionally, applicants are to identify the local Results Area the project will address.

A. OBJECTIVES: Select ONE (1) objective that the proposed project/program meets.

Creates a suitable living environment

This objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment (such as poor quality infrastructure) to social issues such as crime prevention, child care, literacy or elderly health services.

Decent housing

This objective focuses on housing programs possible under HOME or CDBG where the purpose of the program is to meet individual, family, or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under suitable living environment.

Creates economic opportunities

This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

B. OUTCOMES: Select the most appropriate outcome for the proposed activity.

Improve availability/accessibility

This outcome applies to activities that make services, infrastructure, public facilities, housing, or shelters available or accessible to low/moderate income people, including persons with disabilities. In this category, accessibility does not refer only to physical

barriers, but also to making the affordable basics of daily living available and accessible to low/moderate income people where they live.

Improve affordability

This outcome applies to activities that provide affordability in a variety of ways in the lives of low/moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

Improve sustainability: Promoting Livable or Viable Communities

This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low/moderate income or by removing or eliminating slums or blighted areas through multiple activities or services that sustain communities or neighborhoods.

| Federal Objective/Outcomes | | | |
|--|---|---|--|
| <i>Choose one from the top and one from the side. Project Outcome Activity is at the intersection.</i> | Outcome 1 Availability/ Accessibility | Outcome 2 Affordability | Outcome 3 Sustainability |
| Objective 1 Suitable Living Environment | <i>Enhance suitable living environment through improved/new accessibility</i> | <i>Enhance suitable living environment through improved/new affordability</i> | <i>Enhance suitable living environment through improved/new sustainability</i> |
| Objective 2 Decent Housing | <i>Create decent housing with improved/new availability</i> | <i>Create decent housing with improved/new affordability</i> | <i>Create decent housing with improved/new sustainability</i> |
| Objective 3 Economic Opportunity | <i>Provide economic opportunity through improved/new accessibility</i> | <i>Provide economic opportunity through improved/new affordability</i> | <i>Provide economic opportunity through improved/new sustainability</i> |

C. City of Chattanooga Results Areas

Select the City’s Results Area the proposed activity/project/program, if funded, will assist in addressing.

| |
|--|
| 1. Safer Streets |
| 2. Stronger Neighborhoods |
| 3. Growing Economy |
| 4. Smarter Students, Stronger Families |
| 5. High Performing Government |

- 1. Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
- 2. Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
- 3. Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
- 4. Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
- 5. High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.

Application Evaluation Process and Timeline

Evaluation Criteria

The City will apply the following criteria to each request during its evaluation:

1. The program or service must conform to CDBG requirements.
2. The program or service must be consistent with the City's CDBG priorities and Consolidated Plan objectives.
3. The program or service will be evaluated for program efficiency, including the number of residents assisted per dollar of CDBG funding, the extent to which CDBG funds will leverage funding from other sources, the avoidance of program duplication, and the intended outcomes.
4. 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.

Timeline

As outlined in the Allocation/Public Process Calendar, Economic and Community Development staff will facilitate the review all proposals by a review panel and make recommendations to the City Council at a public hearing in March. Applicants will be asked to make a presentation before the review panel during January 2016. Funding approvals/denials are expected to be provided by March 30, 2016. The timeline is tentative and predicated on HUD funding announcements.

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.

***FY 2016-2017 Funding
Allocation/Public Process
Tentative Timeline***

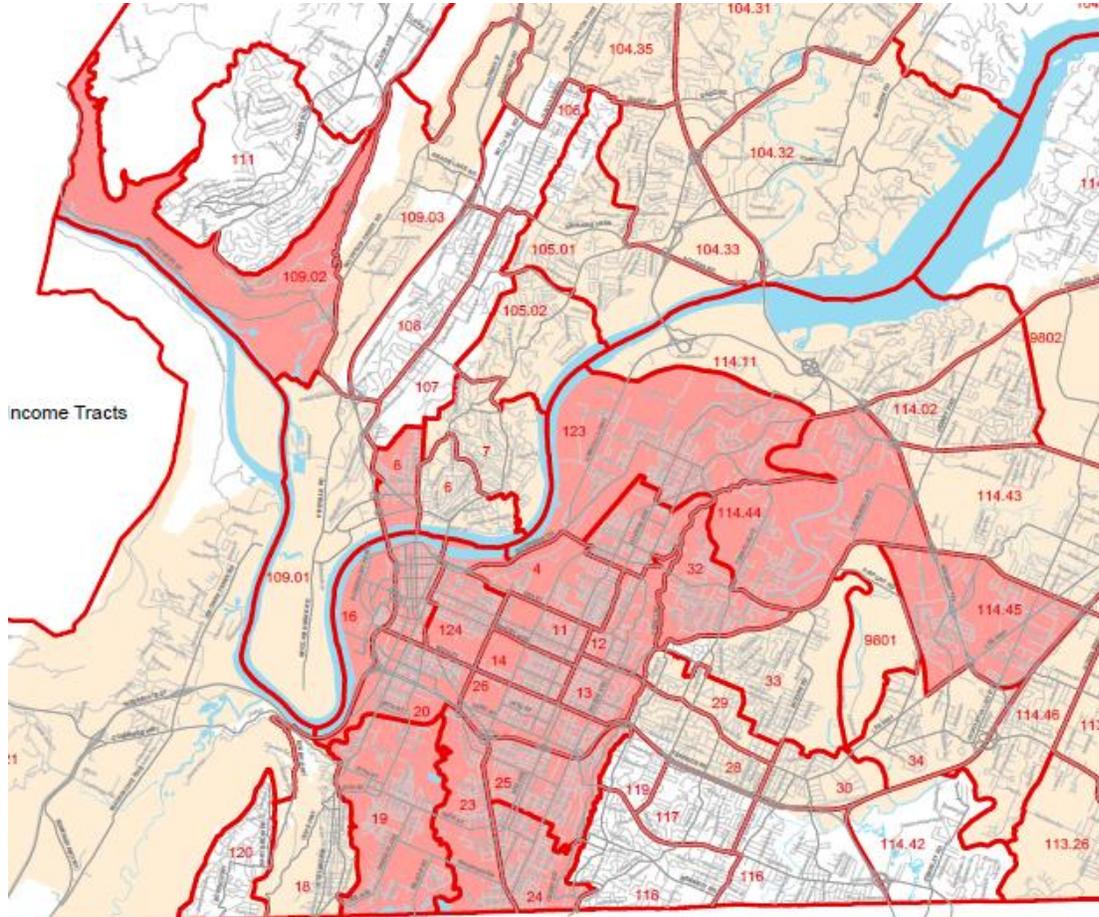
| | |
|---|--|
| November 2, 2015 | NOFA to Prospective Applicants |
| November 16 and 18, 2015 | Application/Allocation Process Workshops November 16th (CDBG-9:00-10 a.m.) DRC November 18th (ESG 1:30-2:30 p.m.) DRC |
| December 2nd, 3rd 2015 | Technical Assistance Sessions (By appointment) |
| December 18, 2015 | Applications Due: 4:00 p.m. - ECD |
| January, 2016 | Allocation Team Application Interviews |
| February, 2016 | Allocation Committee Funding Approval |
| March, 2016 | Presentation to City Council |
| March, 2016 | City Council Agenda/Resolution |
| March, 2016 | Letters of Project Approval & Denial |
| April 1 - May 1, 2016 | 30-day Public Comment Period of Action Plan |
| May 13, 2016 | Submit Action Plan to HUD |
| June 2016 | Contractual Agreements Drafted and Signed |
| July 1, 2016 | Fiscal Year Begins |

Supplemental Data

1. Low- Moderate Income Census Tracts/Neighborhoods

| Area | Census Tract | Percentage L/M | Race/Ethnicity | | | | |
|--|--------------|----------------|----------------|-------|----------|------------|-------|
| | | | White | Black | Hispanic | Am. Indian | Asian |
| Orchard Knob, Avondale | 4 | 68.45% | 6.8% | 89.2% | 2.4% | 0.6% | 0.0% |
| Hill City | 8 | 68.31% | 64.7% | 32.8% | 1.1% | 1.6% | 0.0% |
| Fortwood | 11 | 62.87% | 29.5% | 50.2% | 23.3% | 0.0% | 0.0% |
| Glenwood | 12 | 61.11% | 13.6% | 84.8% | 0.7% | 1.2% | 0.0% |
| East Lake, Ridgedale | 13 | 74.25% | 38.6% | 50.5% | 18.5% | 0.4% | 0.0% |
| Highland Park | 14 | 66.42% | 56.1% | 42.2% | 9.7% | 0.0% | 0.2% |
| Westside | 16 | 100.00% | 18.3% | 80.0% | 0.0% | 0.9% | 0.8% |
| South Chattanooga, Alton Park, Piney Wood: | 19 | 85.83% | 2.8% | 94.7% | 1.3% | 0.3% | 0.0% |
| Southside | 20 | 85.02% | 21.0% | 65.1% | 11.5% | 2.4% | 0.0% |
| Clifton Hills, | 23 | 68.56% | 43.4% | 29.3% | 26.5% | 0.9% | 0.0% |
| Cedar Hill, East Lake | 24 | 78.12% | 72.9% | 13.0% | 28.3% | 2.0% | 3.7% |
| East Lake | 25 | 80.76% | 35.7% | 55.1% | 11.4% | 2.1% | 0.0% |
| Oak Grove | 26 | 75.76% | 34.5% | 49.4% | 24.3% | 0.0% | 0.0% |
| Downtown | 31 | 60.53% | 64.2% | 34.7% | 3.3% | 0.0% | 0.0% |
| Foxwood Heights | 32 | 61.81% | 15.5% | 75.6% | 5.2% | 3.9% | 0.0% |
| Signal Mt. Blvd. | 109.02 | 70.31% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Eastdale | 114.44 | 59.59% | 17.3% | 80.8% | 2.4% | 0.0% | 0.0% |
| Shepherd | 114.45 | 51.24% | 55.2% | 39.5% | 10.2% | 0.0% | 1.1% |
| Avondale, East Chattanooga | 122 | 86.55% | 5.7% | 92.9% | 2.0% | 0.0% | 0.0% |
| Amnicola, East Chatt, Glass Farm | 123 | 66.32% | 30.5% | 63.9% | 0.8% | 2.0% | 1.2% |
| ML King, Fortwood | 124 | 68.17% | 64.1% | 28.5% | 2.1% | 0.1% | 6.6% |

2. Low – Mod Income Census Tracts



3. Income and Rent Limits

| Income Limits and Fair Market Rents for Chattanooga | | | | | | |
|--|--------------------------|--|--------------------------|--|--------------------------|-------------|
| Income Limits (Effective March 6, 2015) | | | | 2015 Median Family Income: \$59,000 | | |
| Family Size | Low Income | | Very Low Income | | | |
| | 80% of Median | | 50% of Median | | 30% of Median | |
| 1 Person | \$ 32,700 | | \$ 20,450 | | \$ 12,250 | |
| 2 Person | \$ 37,350 | | \$ 23,350 | | \$ 15,930 | |
| 3 Person | \$ 42,000 | | \$ 26,250 | | \$ 20,090 | |
| 4 Person | \$ 46,650 | | \$ 29,150 | | \$ 24,250 | |
| 5 Person | \$ 50,400 | | \$ 31,500 | | \$ 28,410 | |
| 6 Person | \$ 54,150 | | \$ 33,850 | | \$ 32,570 | |
| 7 Person | \$ 57,850 | | \$ 36,150 | | \$ 36,150 | |
| 8 Person | \$ 61,600 | | \$ 38,500 | | \$ 38,500 | |
| 2015 Fair Market Rents (Effective October 2014) | | | | | | |
| 0 BR | 1 BR | | 2 BR | | 3 BR | 4 BR |
| \$ 476 | \$ 574 | | \$ 714 | | \$ 971 | \$ 1,094 |