



## **Economic and Community Development Landlord Renovation Program**

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The City of Chattanooga has a Landlord Renovation Program to assist private rental property owners with renovation costs on approved rental properties. In return, the property owner must agree to an affordability period lasting seven (7) years. Only one project is allowed per applicant. A project is defined as one of the following: a duplex, a triplex, a quadplex, or up to two single-family residences. **ALL units must be VACANT** at the time of application and during renovation. Applications will be accepted on a “first-received, first-considered” basis.

### **HOW THE PROGRAM WORKS**

Property owners accepted into the program shall receive a forgivable loan (in essence, a grant) once renovation work and rent-up documentation is complete. The loan will be forgiven at a rate of 15 percent per year, given that all program requirements are being met. Grants are available for up to 50% of the cost of eligible improvements, but no more than \$10,000 for a one-bedroom unit, \$12,000 for a two-bedroom unit, or \$15,000 for a three-bedroom unit.

Eligible improvements include energy conservation improvements, roofs, siding, electrical improvements, windows, plumbing, heating, kitchen remodeling, bathroom remodeling, and more. The property must meet Housing Quality Standards (HQS) and building code requirements upon completion of the renovation. A Certificate of Occupancy (CO) must be obtained from the City of Chattanooga’s Building Inspection Office. Approval must be granted before a project may begin.

### **ELIGIBLE PROJECTS AND ACTIVITIES**

Most small rental properties within the Chattanooga city limits are eligible. Single-family dwellings, duplexes, triplexes, and quadplexes are examples of eligible properties. Mobile home renovation and new construction projects are not eligible under the program.

### **PROGRAM REQUIREMENTS, RESTRICTIONS, AND STANDARDS**

Only *unoccupied units* shall be eligible under the program. Interested parties must own the subject property or properties. The owner (or responsible property manager) must live within a 50-mile radius of Chattanooga in order to facilitate adequate project monitoring. Rents for units occupied by low-income tenants cannot exceed Fair Market Rents for the area as established by HUD (reduced by HUD utility allowances if the tenant pays utilities). The income status of renters must be verified at lease signing and every following year for a seven-year period. Mortgage payments must be current for the subject property. Adequate property insurance must be in place during construction and

throughout rental period, and both Chattanooga and Hamilton County property taxes must be current.

All properties, at a minimum, shall be brought up to the City of Chattanooga's Building Code and HUD Housing Quality Standards. All work must be done by a Tennessee licensed contractor or a Home Improvement license holder. It is the contractor's responsibility to obtain all necessary construction permits. All zoning regulations will apply.

**Please note the following changes (VERY IMPORTANT):**

Starting in 2019, the Landlord Renovation Program has two divisions: one for residential structures built in 1978 or later, and another for residential structures built before 1978. The two divisions are required due to differing regulations that address lead-based paint issues during renovation.

**PRE-1978 UNITS:** To be considered for the Landlord Renovation Program in this division, applicants must also apply to, and participate in, the Lead Hazard Control Program (Chattanooga Lead-Safe and Healthy Homes). The Lead Hazard Control Application may be found under the Community Development section on the City of Chattanooga website. The Lead Hazard Control program requires that a lead-based paint risk assessment be completed on each rental unit, upon which a set of work specifications is prepared. A contractor is then selected by the Lead Grant Program, and all lead-remediation work is covered by the grant (at NO COST to the property owner). Once the lead work is completed and the unit(s) pass lead clearance testing, the property owner will then select a contractor to complete the remainder of the desired work items under the Landlord Renovation Program. When the items are complete and all program requirements are met, the City will issue a reimbursement check to the property owner.

**POST-1978 UNITS:** In this division, the project is exempt from lead-based paint regulations. First, complete the Landlord Renovation Program application, and if approved for funding by the selection committee, the property owner must choose a contractor and pay for **all renovation costs up front**. The City of Chattanooga will issue a re-imbusement check when all work has been completed and all program requirements have been met. Renovation work completed before project approval is not eligible for re-imbusement. Work may not begin until the project is approved and necessary pre-construction documents are signed.

Questions should be directed to Doug Smith, 423-643-7336 or [dssmith@chattanooga.gov](mailto:dssmith@chattanooga.gov)

**CITY OF CHATTANOOGA  
ECONOMIC AND COMMUNITY DEVELOPMENT**



**Application Instructions for the Landlord Renovation Program. If your property or properties were constructed prior to 1978, you must also apply for the Lead Hazard Control Grant (the link to this application is also under the Community Development section of the City of Chattanooga website).**

- 1) Please type or print legibly. Answer all questions. Incomplete or illegible application packets will not be considered.
- 2) Several documents must be submitted along with the application: copy of recorded deed, proof of paid property taxes (Chattanooga and Hamilton County), proof of insurance, proof of existing debt on each property, and a thorough itemized contractor's estimate.
- 3) There is a maximum of one project (1 to 4 units, see above) per property owner allowed in the program. If submitting more than one property or unit, complete a separate "PROJECT INFORMATION" form for each rental unit.
- 4) Please submit your application to the Department of Economic and Community Development, 101 E. 11<sup>th</sup> Street, Suite 200, Chattanooga, TN 37402, Attention: Doug Smith. Scanned applications may be e-mailed to [dssmith@chattanooga.gov](mailto:dssmith@chattanooga.gov)

Applications will be reviewed as soon as possible, after which the applicant will be notified whether or not they are accepted into the program. All rental units must be vacant at the time of application and during renovation. The following criteria, totaling 100 points, will be used for the selection process:

**ENERGY EFFICIENCY—up to 25 Points**

- Does the owner propose a new heat pump?
- Will new windows be installed?
- Will new or additional insulation be added?
- Will weather stripping be installed?

**FINANCIAL FEASIBILITY OF PROPOSED PROJECT—up to 25 Points**

- Is debt to equity ratio after renovation acceptable?
- Is rent amount (as specified by HUD maximum rents) adequate to cover investment, existing debt on unit, and maintenance costs?
- Can the rental property owner fund improvements to property?

**OWNER'S TIME ESTIMATE—up to 25 Points**

- How long does owner estimate that it will take to complete renovation work and secure renters?

**TOTAL AMOUNT SPENT PER UNIT—up to 25 Points**

- Because this program seeks to add rental units to the existing inventory, more points will be awarded for property owners seeking to renovate severely distressed properties and hence spend a larger amount of money.



**CITY OF CHATTANOOGA**  
**APPLICATION FOR LANDLORD RENOVATION PROGRAM**

*Please Type or Print Legibly*

**APPLICANT INFORMATION**

**Applicant Name:** \_\_\_\_\_

**Street Address (Home):** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Employer:** \_\_\_\_\_ **Time There:** \_\_\_\_\_

**Business License #:** \_\_\_\_\_ **Date Issued:** \_\_\_\_\_

**Annual Gross Income (all sources):** \_\_\_\_\_

**CO-APPLICANT INFORMATION (IF APPLICABLE)**

**Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Employer:** \_\_\_\_\_ **Time There:** \_\_\_\_\_

**Business License #:** \_\_\_\_\_ **Date Issued:** \_\_\_\_\_

**Annual Gross Income (all sources):** \_\_\_\_\_

## PROJECT INFORMATION

No more than two (2) single-family residences per owner will be considered—one per page. If the property is a duplex, triplex, or a quadplex, only one page is necessary. Please note that properties **MUST** be vacant to be considered.

### FIRST RENTAL UNIT

Rental Property Address: \_\_\_\_\_

Type of Ownership (Sole Owner, Partnership, Corporation, Non-Profit, Other): \_\_\_\_\_

Square Footage: \_\_\_\_\_ Number of Bedrooms: \_\_\_\_\_

Number of Parking Spaces: \_\_\_\_\_ Year Built: \_\_\_\_\_

Type of Construction (Wood, Brick, Masonry, Combination, Other): \_\_\_\_\_

Type of Building (Single Family, Duplex, etc): \_\_\_\_\_

Zoning Designation (e.g. R-1, R-2, R-3): \_\_\_\_\_

Appraised or Estimated Value: \_\_\_\_\_ Source for Estimated Value: \_\_\_\_\_

Are City and County Property Taxes Current? \_\_\_\_\_

Is Property Currently Owned by Applicant? Yes \_\_\_\_\_ No \_\_\_\_\_

Is Property Occupied? Yes \_\_\_\_\_ No \_\_\_\_\_

If No, When Was It Last Occupied? \_\_\_\_\_

Has Property Been Cited by the City for Code or Other Violations? Yes \_\_\_\_\_ No \_\_\_\_\_

Estimated Renovation Cost: \$ \_\_\_\_\_ (attach itemized contractor's estimate to application package)

## PROJECT INFORMATION

### SECOND RENTAL UNIT

**Rental Property Address:** \_\_\_\_\_

**Type of Ownership (Sole Owner, Partnership, Corporation, Non-Profit, Other):**  
\_\_\_\_\_

**Square Footage:** \_\_\_\_\_ **Number of Bedrooms:** \_\_\_\_\_

**Number of Parking Spaces:** \_\_\_\_\_ **Year Built:** \_\_\_\_\_

**Type of Construction (Wood, Brick, Masonry, Combination, Other):** \_\_\_\_\_

**Type of Building (Single Family, Duplex, Multi-Family):** \_\_\_\_\_

**Zoning Designation (e.g. R-1, R-2, R-3):** \_\_\_\_\_

**Appraised or Estimated Value:** \_\_\_\_\_ **Source for Estimated Value:** \_\_\_\_\_

**Are City and County Property Taxes Current?** \_\_\_\_\_

**Is Property Currently Owned by Applicant?** Yes \_\_\_\_\_ No \_\_\_\_\_

**Is Property Occupied?** Yes \_\_\_\_\_ No \_\_\_\_\_

**If No, When Was It Last Occupied?** \_\_\_\_\_

**Has Property Been Cited by the City for Code or Other Violations?** Yes \_\_\_\_\_ No \_\_\_\_\_

**Estimated Renovation Cost:** \$ \_\_\_\_\_ (attach itemized contractor's estimate to application package)

## Existing Debt Table

Please list existing debt on each property or rental unit. Enter N/A if there is no debt on the property.

Unit Address: \_\_\_\_\_

Name of Lender: \_\_\_\_\_

Loan Amount: \_\_\_\_\_

Loan Term (# of years): \_\_\_\_\_

Loan Amount: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

Unit Address: \_\_\_\_\_

Name of Lender: \_\_\_\_\_

Loan Amount: \_\_\_\_\_

Loan Term (# of years): \_\_\_\_\_

Loan Amount: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_

**Table of Anticipated Revenue and Operating Expenses**

Please list your anticipated operating expenses for each unit.

Unit Address: \_\_\_\_\_

Total Operating Expense per Month (include items such as debt service,  
maintenance costs, taxes, insurance, etc): \_\_\_\_\_

Total Rental Income per Month: \_\_\_\_\_

Unit Address: \_\_\_\_\_

Total Operating Expense per Month (include items such as debt service,  
maintenance costs, taxes, insurance, etc): \_\_\_\_\_

Total Rental Income per Month: \_\_\_\_\_

## PRIOR PARTICIPATION

Have you participated in a City-sponsored rental rehabilitation program before?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, provide the address of unit (or units) assisted:

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Total number of units assisted: \_\_\_\_\_ Year(s) assisted: \_\_\_\_\_

Amount and type of assistance (i.e. grant, loan): \_\_\_\_\_

Have you ever been approved for funding for this program and did not complete your project? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, Please Explain: \_\_\_\_\_

### DOCUMENTS REQUIRED

1. Copy of recorded deed
2. Proof of paid property taxes (City and County)
3. Proof of insurance coverage
4. Proof of debt on property/properties (if applicable)
5. Detailed work/cost estimate from licensed contractor. Please have the contractor to provide a thorough estimate.

*I certify that all the information stated herein, as well as any information provided in accompaniment herewith, is true and accurate and I hereby grant the City of Chattanooga permission to request data from the appropriate sources as applicable.*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant's Signature (if applicable)



It is the policy of the City of Chattanooga that all its services and activities be administered in conformance with the requirements of Title VI of the 1964 Civil Rights Act which ensures that "no person in the United States shall, on the grounds of race, color, or natural origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance".