

Rapid Rental Repair Program

City of Chattanooga Department of Economic Development

Program Guidelines

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Overview: The Rapid Rental Repair Program is designed to support the City of Chattanooga’s response to rental housing availability issues related to the COVID-19 pandemic. This program will provide assistance to eligible landlords with vacant units to complete maintenance and minor repairs to enable quick occupancy by a Low-to-Moderate Income (LMI) individual or household.

The program is funded by Community Development Block Grant (CDBG) funding from the Department of Housing and Urban Development (HUD), with special funding authorized under the CARES Act. Maximum grant award: \$4,900.

The property owner/landlord must agree to the HUD-established maximum rents and to rent the assisted unit to tenants with incomes at or below 60% of Area Median Income (AMI) for a two-year period. Landlords will make eligible improvements to vacant rental units to facilitate quick occupancy of the unit to a LMI individual or household. In addition, they will be reimbursed for eligible maintenance and/or repair expenses once proof of occupancy by an LMI individual or household is provided. Landlords have 30 days upon project completion to submit invoices/receipts/proof of payment for reimbursement.

Applicant Eligibility: Residential rental property owners within the city limits of Chattanooga are eligible for this program only if they:

- Own a vacant rental unit and can provide proof of ownership.
- Are current on all tax payments (including any fees) with the City of Chattanooga *and* Hamilton County for all of their properties.
- Are not in mortgage foreclosure for any of their properties.
- Are in good standing with the City's Code Enforcement Division on all of their properties (no active code violations).
- Are not on the Federal Excluded Parties Entity List.

Reimbursement: To qualify for reimbursement after repairs are made to the unit, the unit must be rented to an individual or household that meets HUD income guidelines of a maximum of 60% of Area Median Income (AMI). Income guidelines are scaled by household size and updated annually based on the latest available data. Landlords are advised to collect the income verification documentation required for reimbursement when screening potential tenants.

Below is the table with the current income limits for tenants in order to qualify for reimbursement:

HUD 60% AMI Income Limit (2023) by Number of People in Household:

One person: \$33,480

Two: \$38,220

Three: \$43,020

Four: \$47,760

Five: \$51,600

Six: \$55,440

Seven: \$59,280

Eight: \$63,060

Please Note: This table is updated annually by HUD to reflect inflation and changing demographics. To qualify for reimbursement, landlords will be required to provide a signed copy of a 12-month lease with the new tenant. **The lease may not include the following terms:**

1. Agreement to be Sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. Treatment of Property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a Court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the household unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;

3. Excusing Owner From Responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of Notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. Waiver of Legal Proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. Waiver of Right to Appeal Court Decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
7. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and
8. Termination of Tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms and conditions of the lease, violation of applicable federal, state, or local law, for completion of tenancy period for transitional housing, or other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action. Subrecipient agrees that it will conduct and administer CDBG activities in conformity with Pub. L. 352, "Title VI of the Civil Rights Act of 1964", and with Pub. L. 90-284 "Fair Housing Act", and that it will affirmatively further fair housing. One suggested activity is to use the fair housing symbol and language in Subrecipient publications and/or advertisements. Subrecipient shall pursue affirmative fair housing marketing policies in soliciting buyers and tenants, in determining their eligibility, and in concluding sales and rental transactions.

The lease must include the following provisions:

Violence Against Women Act Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

Fair Housing Disclosure

Fair Housing Equal Opportunity for All Booklet: The landlord hereby acknowledges that they have provided the tenant with a copy of the Fair Housing Equal Opportunity for All booklet, published by the U.S. Department of Housing and Urban Development (HUD). The tenant acknowledges receipt and confirms understanding of the contents therein.

Eligible Uses of Funds: To comply with federal CDBG regulations and ensure efficient processing of reimbursements, only certain maintenance and minor repair activities will be eligible for reimbursement under this program. These activities are intended to be repair or maintenance activities that would eliminate barriers to marketing and successfully renting the unit.

INELIGIBLE ACTIVITIES:

- Activities or purchases undertaken before the City has provided an official "Notice to Proceed" notification are ineligible for reimbursement.
- Unless specifically listed under eligible activities below, the activity or purchase is ineligible for reimbursement.
- The grant will not reimburse for the personal time and labor of the landlord or property owner. The grant will only reimburse for materials or contracted services with a third party for which there is a receipt/invoice.

ELIGIBLE ACTIVITIES:

- caulking, weather stripping, re-glazing windows and doors
- fixing broken windowpanes, storm windows, or damaged entry door
- replacing/repairing broken door locks
- repairing windows
- replacement of storm and screen panels
- repairing exterior/interior doors
- repairing storm windows or storm doors
- patching or mending cracked plaster
- patching holes or cracks in drywall
- replacing ceiling tiles
- painting or wallpapering
- stripping and/or resealing wooden floors
- installation or replacement of carpeting or vinyl flooring
- in-kind replacement of broken stair treads or balusters/railings
- repair of access ramp
- replacement of stoves, refrigerators, microwaves, dishwashers
- repairing cabinets
- repairing bathroom fixtures
- replacing washing machines and dryers
- servicing and maintenance of mechanical systems, including HVAC
- changing air filters, cleaning air ducts, installing or replacing a window air conditioner

- repairing furnace or heat distribution system
- replacing malfunctioning light fixture, electrical switch, outlet, or light bulbs
- fixing plumbing leaks
- repairing water or sewer connection within existing utility trench alignment
- replacing/repairing malfunctioning water heater
- repair water or sewer connection
- repair of security alarm systems
- servicing smoke, fire and CO2 detectors
- installation of smoke, fire and CO2 detectors
- making changes to a rental unit to comply with fire and life safety codes
- repairing fire suppression system
- pest inspection/treatment

Application Requirements:

- 1) Application (form-fillable)
- 2) Proof of Property Ownership (deed, mortgage statement, etc.)
- 3) Signed W-9
- 4) Proof of Current Taxes with City of Chattanooga and Hamilton County
- 5) Proof the Loan is Current, if the Property is Mortgaged
- 6) Digital Photos of Areas in the Unit Planned for Maintenance or Minor Repair

Reimbursement Documentation Requirements:

- Reimbursement request form
- Copy of executed lease agreement with tenant
- Tenant income verification, including list of all household members (age, employer, annual income documents including copies of last 4 weeks consecutive pay stubs for all adults or other proof of income acceptable to the City). If no pay stubs are available, provide copies of all other forms of income that may include: Unemployment, Pension, Social Security Disability, SSI, Social Security, SS1099 forms, Retirement, Child support award statements and deposits, alimony award statements and deposit, Workman's Compensation award statement and deposits, or statement from DSS outlining the monthly amount received.
- Landlord expense verification, including materials receipts and contractor invoices plus proof of payment. Reimbursement documentation must be received within **30 days** of project completion. Photos of the areas in the unit where the maintenance/repairs took place.

Project Approval Process:

1. Landlord submits complete application package via mail or email.
2. HCI Staff reviews property tax status, code violation status, mortgage status, conducts code violation search.
3. Eligibility status is determined.
4. HCI Staff completes an environmental review on the project.
5. HCI Staff reaches out to the Landlord for any additional information, as needed.
6. Project is approved or denied.
7. If approved, Memorandum of Understanding (MOU) is signed.
8. Notice to Proceed is issued to Landlord.
9. Landlord has repairs completed.
10. Landlord leases the unit to income-qualified tenant(s), and submits a copy of the lease to the City.
11. Within 30 days of project completion, landlord submits reimbursement request with required documentation.
12. Manager of the HCI Division approves payment.
13. Check is issued to landlord.



U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

Regional Directors
Field Office Directors
CPD Division Directors
Regional Environmental Officers
Responsible Entities
Healthcare Directors
PIH Staff
Public Housing Agencies
Program Environmental Clearance Officers
Multifamily Office Directors
Multifamily Regional Center Directors
Multifamily Satellite Office Directors

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Expires: This Notice is effective until amended, superseded, or rescinded.

Supersedes: March 28, 2006 CPD policy memorandum on this subject

SUBJECT: Guidance for Categorizing an Activity as Maintenance for Compliance with HUD Environmental Regulations, 24 CFR Parts 50 and 58

I. Purpose and Background

This Notice provides guidance on categorizing an activity as maintenance for purposes of compliance with HUD's environmental regulations, 24 CFR Parts 50 and 58. Under 24 CFR 50.19(b)(13) and 58.35(b)(3), maintenance is categorically excluded from environmental assessment under the National Environmental Policy Act (NEPA) and not subject to compliance requirements of the related federal environmental laws in 24 CFR 50.4 and 24 CFR 58.5, including the National Historic Preservation Act of 1966. Similarly, 24 CFR 50.19(b)(21) excludes refinancing of HUD-insured mortgages from NEPA and the related laws if associated physical impacts are limited to routine maintenance, and do not include new construction or rehabilitation. HUD-assisted maintenance activities do not affect the environment, and do not require compliance with federal environmental laws, other than the Coastal Barrier Resources Act¹ and sometimes the National Flood Insurance Program. The Responsible Entity (RE) or HUD reviewer must make a determination of the level of environmental review required for every project and document it in the Environmental Review Record (ERR) before any project activities may occur, including activities determined to be Categorically Excluded and not subject to related laws under the provisions of this Notice.

¹ The Coastal Barrier Resources Act prohibits HUD assistance in the designated Coastal Barrier Resources System.

II. Applicability

This Notice applies to HUD activities that require an environmental review. HUD activities include grants, loans, financing, subsidies, insurance, and approvals. Some HUD activities do not require an environmental review.² The guidance in this Notice describes how Responsible Entities and HUD reviewers should interpret maintenance in the environmental review of HUD-assisted, HUD-insured, and HUD-subsidized activities, including those in Community Planning and Development (CPD), Housing, and Public and Indian Housing (PIH). It is not meant to define maintenance for other program purposes.

When making an environmental determination, distinguishing between maintenance activities and more extensive repair and rehabilitation activities requires careful consideration. The information provided below will assist in determining whether an activity is maintenance and therefore exempt from further environmental review, or, if it is rehabilitation and therefore requires further environmental review, which in most cases will be review under the authorities other than NEPA listed in 24 CFR 50.4 and 58.5.

III. Discussion

In general, maintenance activities slow or halt deterioration of a building and do not materially add to its value or adapt it to new uses. Sometimes, maintenance of a building feature or system requires periodic replacement of individual component parts that are subject to normal wear and tear. While maintenance is often budgeted as an operating expense, and repairs and rehabilitation are treated as capital expenses, it is the nature of the activity itself, not its budget category that determines whether it qualifies as maintenance for environmental review purposes.³ Simultaneous maintenance work in multiple units or buildings is still considered maintenance.

² Consult Program Environmental Clearance Officers (PECOs) for information on which program activities do not require environmental review. For example, issuance of Single Family FHA mortgage insurance in the 203(k) program does not require environmental review. For some programs, like Multifamily Section 223(a)(7) refinancing transactions, the environmental review can be done on a programmatic basis so that individual reviews are not necessary.

³ For example, Public Housing activities assisted with Capital Funds and Operating Funds are subject to environmental review requirements pursuant to 24 CFR 905.308(b)(2) and 24 CFR 990.116 respectively. Although minor repairs and replacements are often budgeted as a PIH operating expense in accordance with section 9(g) of the United States Housing Act of 1937, some minor repairs and replacements may be considered rehabilitation for environmental review purposes. Likewise, nonroutine maintenance as defined in 24 CFR 905.200(b)(5) is not maintenance for environmental review purposes. In addition, the following activities are not considered maintenance in PIH assisted programs: (1) Modernization (as defined in 24 CFR 905.200(b)(4), (5), (6), (9), (11), (12)(ii) and (vii)(A), (B), and (E), (14)(iii), (iv), (v), and (vi) and (18) and (2) Development activities (as defined in 24 CFR part 905, subpart F). If maintenance activities are done as part of a broader modernization or development activity, then the entire activity would generally be considered as modernization or development and not maintenance for purposes of environmental review compliance.

For environmental review purposes, deferred maintenance that has resulted in a need for extensive repairs and rehabilitation does not qualify as maintenance. If items that would otherwise be considered maintenance are done as part of an extensive remodeling or renovation of a building that amounts to rehabilitation, the entire job is considered rehabilitation. Depending on the extent of damage, activities performed after a disaster event will typically not be considered maintenance.

General examples of maintenance activities for environmental review purposes:

- (1) Cleaning activities;
- (2) Protective or preventative measures to keep a building, its systems, and its grounds in working order;
- (3) Replacement of appliances that are not permanently affixed to the building;
- (4) Periodic replacement of a limited number of component parts of a building feature or system that are subject to normal wear and tear;
- (5) Replacement of a damaged or malfunctioning component part of a building feature or system. (Replacement of all or most parts or an entire system is not maintenance.)

For specific examples of activities that do and do not qualify as maintenance, see the attached Table. Responsible Entities and HUD reviewers should use the Table and the general examples above, taking into account the scope and extent of the activity, to properly categorize activities as maintenance for environmental review purposes.

IV. Scope of Review for Rehabilitation

When a Responsible Entity or HUD reviewer makes a determination that project activities are rehabilitation and therefore require compliance with related environmental laws and authorities, the scope of the environmental review may be limited if the work is minor and does not involve ground disturbance. Consult Regional Environmental Officers, Field Environmental Officers, and Program Environmental Clearance Officers for information and examples of Environmental Review Record documentation for limited reviews. The scope of an environmental review relates to the nature and extent of the rehabilitation activities. Some activities, especially those limited to interior spaces, may not have the potential to affect the natural environment, and therefore not require analysis under some of the related laws and authorities like those addressing Wild and Scenic Rivers, Endangered Species, Farmland Protection, or Protection of Wetlands. A reviewer can quickly document such instances in the Environmental Review Record, and focus effort and further analysis on those environmental areas that may be impacted by a project. In residential rehabilitation, those typically include Floodplain Management, Historic Preservation, Noise Abatement, Toxic Chemicals and Radioactive Materials. Historic Preservation review (Section 106) may be expedited through Programmatic Agreements and other program alternatives.

It is also possible to group multiple years of expected activities into one environmental review. For instance, rehabilitation activities could be outlined in a 5-year environmental review for a property and be reviewed once, without requiring individual reviews each time a single activity occurs during the time period.

If you have any questions about this Notice, please contact your [Regional Environmental Officer](#) or Nancy Boone at Nancy.E.Boone@hud.gov , or phone (202) 402-5718.

**EXAMPLES OF MAINTENANCE ACTIVITIES vs. REHABILITATION ACTIVITIES
FOR ENVIRONMENTAL REVIEW PURPOSES**

Feature or System	Maintenance Activities ⁴	Rehabilitation Activities ⁵
Site	<ul style="list-style-type: none"> • lawn care (litter pickup, mowing, raking), trimming trees and shrubs • snow/ice removal • neighborhood cleanup • application of pavement sealants, parking lot restriping, directional signage or marking for handicapped accessibility • repair of cracked or broken sidewalks 	<ul style="list-style-type: none"> • new landscaping throughout an area • construction of new walkways, driveways or parking areas, or replacement thereof
Building Exterior	<ul style="list-style-type: none"> • cleaning and fixing gutters and downspouts • repainting previously painted surfaces (including limited wet scraping and low-pressure washing) • replacing deteriorated section of siding • removal of graffiti 	<ul style="list-style-type: none"> • cleaning masonry or stripping painted surfaces by sandblasting, acid wash, or high pressure washing • applying new exterior siding
Roof	<ul style="list-style-type: none"> • fixing leaks • application of waterproof coating to a flat roof • replacement of deteriorated flashing • in-kind replacement of loose or missing shingles or tiles 	<ul style="list-style-type: none"> • complete replacement of roof with new shingles, tiles, roll roofing, membrane, or new metal roof • installation of solar panels
Windows and Doors	<ul style="list-style-type: none"> • washing windows • caulking, weather stripping, re-glazing windows and doors • fixing broken windowpane(s), storm window(s) or damaged entry door • replacing broken door lock • replacing a vandalized entry door to restore security of a building or unit • replacing a single severely damaged window to match • annual switch out of storm and screen panels 	<ul style="list-style-type: none"> • replacement of windows • replacement of exterior doors • adding storm windows or storm doors
Interior Walls and Ceilings	<ul style="list-style-type: none"> • patching or mending cracked plaster • patching or fixing holes or cracks in drywall • replacing stained ceiling tiles • painting or wallpapering 	<ul style="list-style-type: none"> • installation of new drywall or paneling • installation of new acoustical ceiling • installation of dropped ceilings
Flooring	<ul style="list-style-type: none"> • cleaning floors • stripping wooden floors and resealing • installation or replacement of carpeting or vinyl flooring* 	<ul style="list-style-type: none"> • installation of new wood floor

* These maintenance items may require purchase of flood insurance if they occur in a Special Flood Hazard Area (SFHA), and costs exceed the standard deductible for the specific type of structure or unit under the National Flood Insurance Program (NFIP).

Feature or System	Maintenance Activities ⁴	Rehabilitation Activities ⁵
Circulation	<ul style="list-style-type: none"> • in-kind replacement of broken stair treads or balusters • inspection and servicing of elevators 	<ul style="list-style-type: none"> • rebuilding stair or constructing new stair • installation of new access ramp • elevator replacement
Kitchen	<ul style="list-style-type: none"> • replacement of stoves, refrigerators, and microwaves* • replacing cabinet hardware* 	<ul style="list-style-type: none"> • complete or substantial kitchen remodel
Bathroom/Laundry	<ul style="list-style-type: none"> • unclogging sink or toilet • replacing deteriorated toilet in an occupied housing unit* • replacing broken medicine cabinet* • replacing washing machines and dryers* • installation of grab bars 	<ul style="list-style-type: none"> • complete or substantial bathroom remodel
HVAC	<ul style="list-style-type: none"> • servicing and maintenance of mechanical systems • changing air filters • cleaning air ducts • installing or replacing a window air conditioner • replacing a malfunctioning part of a HVAC system like a thermostat * 	<ul style="list-style-type: none"> • installation of new furnace or heat distribution system • installation of central air conditioning
Electrical/Lighting	<ul style="list-style-type: none"> • changing light bulbs • replacing malfunctioning light fixture, electrical switch or outlet* 	<ul style="list-style-type: none"> • major rewiring of building • installation of new electrical service • replacing or moving electrical panels
Plumbing	<ul style="list-style-type: none"> • fixing plumbing leaks* • repairing damage from frozen pipes* • repairing water or sewer connection within existing utility trench alignment • replacing malfunctioning water heater* 	<ul style="list-style-type: none"> • installation of new plumbing system • new water or sewer connection
Security	<ul style="list-style-type: none"> • repair of security alarm systems • boarding up a vacant building with protective plywood • installation of temporary security fencing • installation of security devices needed for an individual health facility patient 	<ul style="list-style-type: none"> • installation of permanent security bollards • installation of new security alarm system
Life Safety	<ul style="list-style-type: none"> • servicing smoke, fire and CO detectors • installation of smoke, fire and CO detectors 	<ul style="list-style-type: none"> • making substantial physical changes to a building to comply with fire and life safety codes • installing fire suppression system
Pest Infestation	<ul style="list-style-type: none"> • pest inspection/treatment 	

⁴ Categorically Excluded from NEPA and not subject to the related authorities listed in 24 CFR 50.4 and 58.5, unless Extraordinary Circumstances apply pursuant to 24 CFR 50.19(a) or 58.35(c).

⁵ Generally Categorically Excluded from NEPA and generally require review under related authorities listed in 24 CFR 50.4 and 58.5, but an RE or HUD reviewer may make a determination that an Environmental Assessment or Environmental Impact Statement is required due to individual project circumstances.