



Housing Solutions Lab
NYU Furman Center

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Federal Funding Flows for Housing in Chattanooga, TN



In 2024, Chattanooga, TN, received \$174 million in federal funds for housing programs from fourteen different federal sources. These funds support three main categories of use: rental assistance, affordable housing development and preservation, and homelessness prevention and response. Funds were administered through a variety of local stakeholders, including the [Chattanooga government](#), [Chattanooga Housing Authority \(CHA\)](#), and [Chattanooga Regional Homeless Coalition](#) under the Continuum of Care (CoC), and were augmented by state and local funds. These funds reached approximately **7,123 households** in Chattanooga in 2024.

Figure 1. Planned Federal Revenue for Chattanooga, TN, 2024

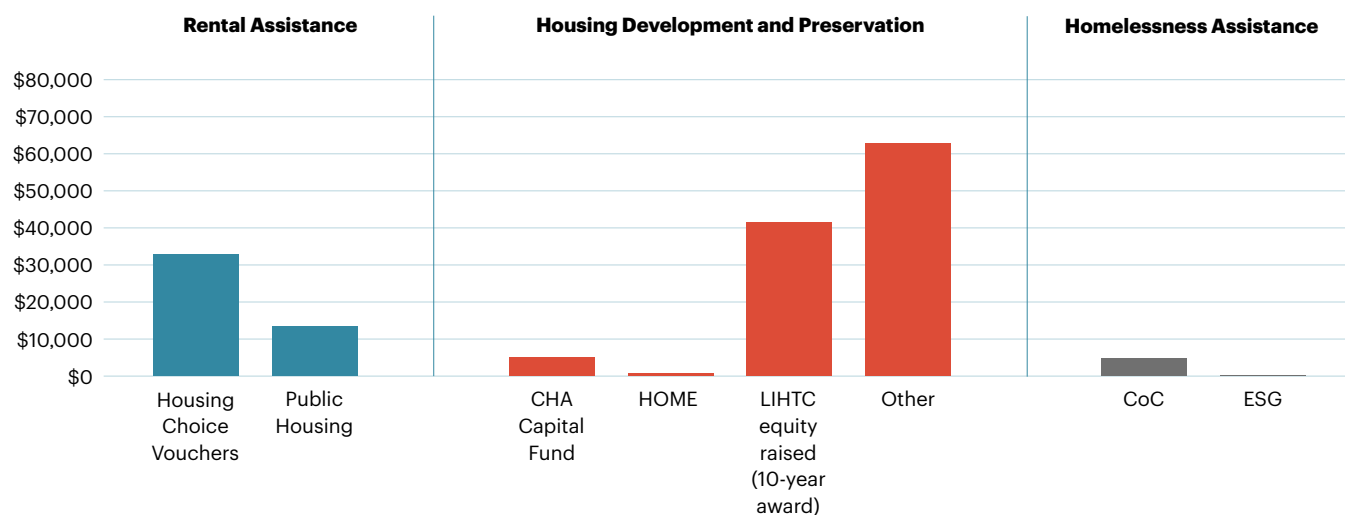


Sources: Chattanooga Housing Authority, HUD, Tennessee Housing Development Agency, [USAspending.gov](#), NYU Furman Center

These estimates were developed by the Housing Solutions Lab at the NYU Furman Center. In partnership with local stakeholders, the Lab comprehensively analyzed how the primary federal housing funds—including grants, tax credits, and rental subsidies—support Chattanooga’s housing programs, services, and development. The analysis focuses on the primary funding streams that directly support local housing uses, including sometimes hard-to-find data that are rarely presented as a single narrative. Nevertheless, it is not an exhaustive accounting of federal funds that broadly support Chattanooga’s local or regional housing ecosystem. Not included, for example, are a number of funding sources—such as Opportunity Zone designations, New Market Tax Credits, and green financing programs—that help enable housing and infrastructure investments. Also excluded are federal safety net resources like Medicaid or SNAP that help low-income families maintain financial and housing stability.

This analysis aims to describe the scale and scope of federal funds deployed in 2023 and 2024 to support Chattanooga’s local housing landscape in order to help local leaders and community members understand the potential implications of substantial federal funding cuts. We hope that the information presented here can illuminate the role of federal dollars in Chattanooga’s housing ecosystem and help inform local decision-making.

Figure 2. Planned Federal Revenue for Chattanooga, 2024 (\$ in 000s)



Sources: Chattanooga Housing Authority, HUD, Tennessee Housing Development Agency, [USAspending.gov](https://www.usaspending.gov), NYU Furman Center

Key federal funding streams

Out of the \$174 million received in federal funds for housing programs in 2024, Chattanooga's most significant federal funding streams in terms of total dollars were:

- **\$121,111,563 in housing development and preservation.** One local project creating 54 affordable apartments received 9% Low Income Housing Tax Credits (LIHTCs) in 2024, and another project creating 118 units were funded with tax-exempt bonds, which trigger 4% LIHTCs, raising an estimated total of \$52 million in equity over 10 years¹ Chattanooga received a \$50 million grant under the Choice Neighborhoods program in 2024. Additionally, the city received almost \$13 million in HUD Green and Resilient Retrofit Program (GRRP) funding² and about \$5 million in capital funds to develop and preserve buildings owned by the CHA.
- **\$46,357,624 in federal rental assistance**, including nearly \$33 million in Section 8 subsidies (both Housing Choice Vouchers, or HCVs, and project-based rental assistance) and more than \$13 million in public housing operating funds.
- **\$4,976,316 in federal homelessness assistance funding**, all of which flowed through the regional Continuum of Care (CoC).

Between 2023 and 2024, federal investment in Chattanooga's housing programs increased by more than \$102 million:

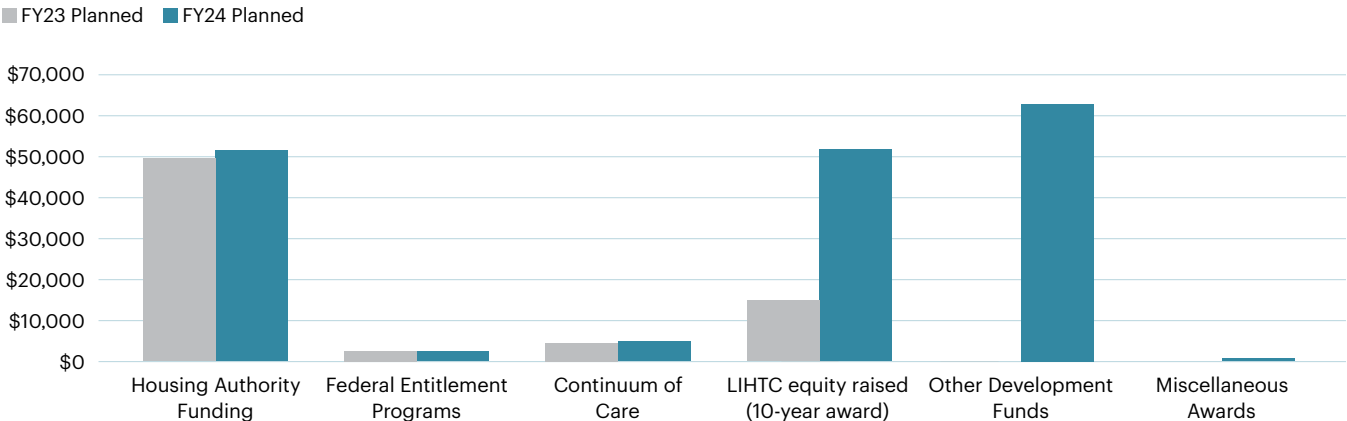
- The most significant increase came from a \$50 million Choice Neighborhoods grant, along with another grant of almost **\$13 million** under HUD GRRP. Aside from tax credits, Chattanooga had not received any federal development awards in 2023.
- The equity expected to be raised by Chattanooga's LIHTC awards increased by approximately **\$37 million**. Development projects in Chattanooga had not received any 9% credits in 2023.
- The CHA received more than **\$2 million** in additional federal funding for rental assistance and housing development in 2024 compared to 2023.
- Finally, Chattanooga was awarded **\$787k** from the Lead Hazard Reduction Grant Program.

For detailed descriptions of federal housing programs, visit [Local Housing Solutions](#).

1. This assumes that credits are syndicated at \$0.85, in line with [Novogradac](#)'s national estimates for May 2025.

2. GRRP was [halted in March 2025](#).

Figure 3. Planned Federal Dollars in Chattanooga, Fiscal Years 2023 and 2024 (\$ in 000s)

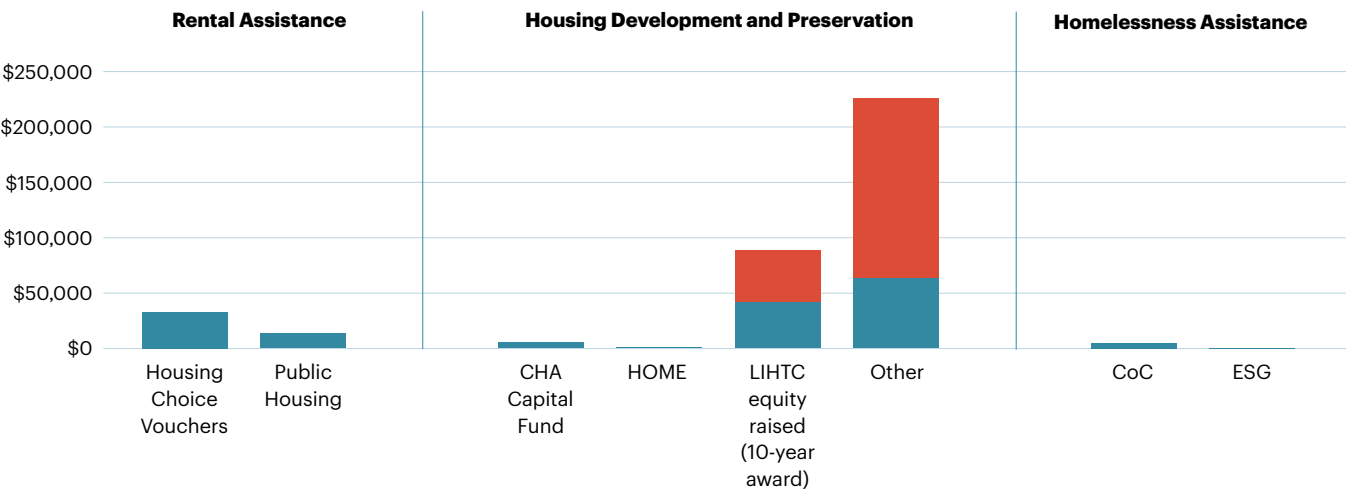


Sources: Chattanooga Housing Authority, HUD, Tennessee Housing Development Agency, [USAspending.gov](https://www.usaspending.gov), NYU Furman Center

Federal dollars leverage local funds

Federal dollars leverage significant local investment in Chattanooga, particularly for housing development and preservation. Most prominent is the funding for the housing program under the Choice Neighborhood Initiative project, worth \$163 million. Part of this local investment is from a [tax increment financing](#) (TIF) program. This project is also in part funded by LIHTC credits worth almost \$52 million over the course of 10 years. We estimate that in 2024, 1,329 new homes were funded using a combination of federal tax credits and grants on the one hand and at least \$163 million in state and local funds on the other. Additionally, the HOME Investment Partnership required nearly \$272k in local matching dollars.

Figure 4. Planned Federal Revenue and Locally Leveraged Funds for Chattanooga, 2024 (\$ in 000s)



Sources: Chattanooga Housing Authority, HUD, Tennessee Housing Development Agency, [USAspending.gov](https://www.usaspending.gov), NYU Furman Center

The **red** segments in the bar graph above represent non-federal investment in housing programs that also receive federal funds. Capturing the local leverage ratio of federal funds is challenging, and our numbers are likely underestimated. Not captured here, for example, is philanthropic support for local nonprofits that partner with government agencies to provide housing and services.

Households served

Households served under federally-funded programs numbered **7,123** in 2024, with the highest number served through the HCV program (**4,779 households**) and other federal development funding, including Choice Neighborhood and HUD GRRP (**1,287 households**). CoC programs are projected to serve **787 households** in 2024. These numbers reflect individual program-level counts of total households assisted or units created or preserved through each funding stream. However, it was not possible to avoid double-counting households that may, for example, receive a housing voucher and live in a unit built with the LIHTC program or some other federal funding stream.

Table 1. Households Served by Federal Programs, Chattanooga, 2024

Program	Households Served
Housing Choice Vouchers	3,026
CoC	787
Public Housing	1,653
CDBG	67
LIHTC	172
HOME	31
Other Development	1,287
Other PHA	100
<i>Note.</i> Figures reflect program-level estimates. Households that benefit from more than one program may be counted multiple times. <i>Sources:</i> Chattanooga Housing Authority, HUD, Chattanooga Regional Homeless Coalition, Tennessee Housing Development Agency, local news sources, NYU Furman Center	

APPENDIX

Methods

We relied on a combination of publicly-available federal, state, and local data, supplemented with locally provided internal planning documents and data, and information from local media coverage of development projects and private investments.

We relied primarily on four federal databases:

- [HUD's Exchange Awards and Allocations website](#). This website includes federal funding amounts for CDBG, CoC, and other formula grant programs.
- [HUD's Community Assessment Reporting Tool \(CART\)](#). This tool includes project-based rental assistance funding and households served.
- [HUD's HCV Data Dashboard](#). This resource includes specifics for Section 8 HCV and Project-Based Vouchers (PBVs).
- [USAspending.gov](#). This comprehensive database includes all federal contracts, grants, and loans.

For further detail, we consulted:

- The [Chattanooga Housing Authority](#). Agency documents include statements of financial resources to determine public housing funding, like Section 8 and Section 9.
- Specific award announcements on HUD's site (though many have been removed in the course of HUD's recent website overhaul).
- [Annual Action Plans](#). These are plans that entitlement jurisdictions submit to HUD to detail the use of their block grant funds.
- The [Tennessee Housing Development Agency](#) and [Novogradac](#) for information on LIHTC funding.
- The [Chattanooga Regional Homeless Coalition CoC dashboard](#). This tool provides homeless counts.

Once we had gathered the names of specific federally funded projects and programs via this deeper investigation, we scanned local press releases and newspaper articles to find information about the number of households served and the volume of private investment. The only source that was not publicly available was [Emergency Solutions Grant](#) (ESG) funding, which is allocated by the state and not reported by Chattanooga.

Programmatic estimates

Note that all numbers are for FY24. Individual households may be served by multiple programs.

Public Housing Authority

Program	Federal Investment (\$)	Total Impact
Total	\$52,046,606	4,779 households
Housing Choice Vouchers	\$32,965,112	3,026 households
Public housing	\$13,392,512	1,653 households
Public housing capital fund	\$5,176,036	N/A
Other CHA funding*	\$512,946	100 households
*Includes Section 811, Section 202, and Section 236 funding and households		

Federal Entitlement Grants

Program	Federal Investment (\$)	Local Investment (\$)	Total Impact	Total Homes Developed/Preserved
Total	\$2,429,885	\$271,585	98 households/ 1,120 individuals	78 homes
CBDG	\$1,536,707	\$0	67 households/ 1,120 individuals	47 homes
HOME	\$768,178	\$0	31 households	31 homes
ESG	\$125,000	\$271,585	Unknown	Unknown

Continuum of Care

Program	Federal Investment (\$)	Total Impact
Total	\$4,851,316	787 households/975 individuals
Supportive housing	\$2,061,970	17 households/25 individuals
Homeless programs + Rapid Rehousing	\$2,601,020	186 households/270 individuals
Planning Grants	\$188,326	N/A

Housing Development and Preservation

Program	Federal Investment (\$)	Local Investment (\$)	Total Homes Developed
Total	\$114,654,403	\$210,094,062	1,459 homes
LIHTC equity raised*	\$51,775,403	\$47,194,062	172 homes
Choice Neighborhood Initiative	\$50,000,000	\$162,900,000	1,126 homes
HUD GRRP	\$12,880,000	\$0	161 homes
*Award amounts over 10 years, assuming credits are syndicated at \$0.85, as reported by Novogradac as the Equity Price per Credit as of May 2025.			