

## Invest Chattanooga

*A public enterprise in Chattanooga deploying \$20 million in city funds to build permanently affordable rental units.*

**City:** Chattanooga, TN

**Purpose:** To leverage local resources and public-private partnerships to catalyze mixed-income development and create permanently affordable rental units.

**Lead Stakeholders:** City, Philanthropy

**Process:** Recognizing that federal programs alone would not meet affordable housing needs, the City of Chattanooga allocated \$20 million in general fund dollars to seed a revolving Housing Production Fund.

The City also launched Invest Chattanooga, a nonprofit subsidiary of the Housing Authority, to partner with developers and investors to catalyze mixed-income development at the speed of the market.

Invest Chattanooga serves as the limited partner in its developments, providing low-cost construction loans covering up to 25% of project costs. As a public enterprise, Invest Chattanooga brings other cost savings to its partnerships, like access to favorable senior loans, property tax abatement, and publicly-owned land. This allows a portion of units to be rented at below-market rates.

**Outcomes:**

- Targeting **20% of units** to be affordable at **50% AMI** and **10% of units** to be **50-100% AMI**.
- Because Invest Chattanooga will own the property long term, units will be **affordable in perpetuity**.
- Invest Chattanooga was funded in January 2025 and is **looking for its first investments**.

