



CITY OF KNOXVILLE, TENNESSEE

City Council

AGENDA INFORMATION SHEET

AGENDA DATE: April 29, 2025

DEPARTMENT: Housing and Neighborhood Development Department

DIRECTOR or DESIGNEE: Kevin DuBose

AGENDA SUMMARY A Resolution authorizing an amendment to the 2022 HOME-ARP Allocation Plan for Housing and Neighborhood Development to the U.S. Department of Housing and Urban Development (HUD) and authorizing the Mayor to execute any associated documents and certifications.

COUNCIL DISTRICT(S) AFFECTED All Districts

BACKGROUND HOME Investment Partnerships Program - American Rescue Plan ("HOME-ARP") grant funds are supplemental funds made available by the U.S. Department of Housing and Urban Development ("HUD") with the purpose of creating affordable, permanent housing with the services necessary for those experiencing or at-risk of experiencing homelessness.

The City received notice on September 13, 2021, of HOME-ARP grant allocations of \$4,076,859 until 2030. HUD requires the City to submit an Allocation Plan to receive these funds, and the City did so on September 23, 2022. Following the required public notice and input process, On September 20, 2022, City Council authorized the Mayor to execute any and all associated documents and certifications related to the submission of the HOME-ARP Allocation Plan to HUD.

The HOME-ARP Allocation Plan proposed the use of \$2,900,000 for the development of affordable rental housing, \$1,000,000 for provision of supportive services, and \$176,859 for administration and planning. In accordance with that allocation plan, \$2,900,000 has been used to support the development of 30 units of permanent supportive housing at Callahan Flats, which is anticipated to be complete in 2025. The \$1,000,000 for supportive services was previously considered for use in conjunction with a different permanent supportive housing development that ultimately was not developed.

HUD allows for changes to HOME-ARP Allocation Plans through an amendment process, which also follows a public notice and input process, after which a proposed amendment may be submitted to HUD. The amendment currently being proposed would move the remaining \$1,000,000 from supportive services to the "Development of Affordable Rental Housing" category, in order to be made available to support the development of additional units of supportive housing for persons at risk of or experiencing homelessness.

The plan amendment also takes into consideration the extensive planning and public input process over the past year under the Youth Homelessness Demonstration Program to create

the YHDP Coordinated Community Plan (CCP). Among the needs and priorities identified in that plan is permanent supportive housing for youth aging out of the foster care system. The CCP notes that without housing and support, this population is at high risk of homelessness. The proposed HOME-ARP Allocation Plan Amendment would provide for the opportunity to make these funds available for development of supportive housing for this population.

Public Notice of the amendment, as required by HUD, was published on March 14, 2025, and the draft amendment was made available for review on the City's website on April 1, 2025. Comments received through April 15, 2025, will be provided to City Council prior to the April 29th meeting.

ESTIMATED PROJECT SCHEDULE The HOME-ARP Allocation Plan Amendment will be submitted to HUD after adoption of Resolution.

PRIOR ACTION/REVIEW City Council approved the HOME-ARP Allocation Plan on September 20, 2022, by Resolution R-293-2022.

FISCAL INFORMATION The substantial amendments propose to reallocate \$1,000,000 in unspent HOME-ARP funds for use in the development of affordable rental housing.