



CITY OF KNOXVILLE, TENNESSEE

City Council

AGENDA INFORMATION SHEET

AGENDA DATE:	April 29, 2025
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DEPARTMENT: **Housing and Neighborhood Development Department**

DIRECTOR or DESIGNEE: **Kevin DuBose**

AGENDA SUMMARY A Resolution authorizing the Mayor to execute any and all documents necessary to award an amount not to exceed \$1,000,000.00 from the HOME American Rescue Plan Program (HOME ARP) to Lumen Flats Knoxville, LLC for the development of 18 affordable housing units to be located at 1585 Coleman Road, contingent upon approval of the 2022 HOME ARP Allocation Plan Amendment by both City Council and HUD.

COUNCIL DISTRICT(S) AFFECTED 2nd

BACKGROUND Through the HOME ARP Program, the City has received \$4,076,859 to support the creation of new affordable Permanent Supportive Housing (PSH) to address housing instability and homelessness. Applications are accepted and evaluated by the Housing and Neighborhood Development department to ensure they meet the stringent HOME ARP guidelines.

This application has been reviewed and meets all of the requirements including eligibility, cost feasibility, sustainability, and affordability. Funds will be distributed to pay for eligible hard and soft construction costs. The funds will be provided as a fifteen-year forgivable loan, secured with a Deed of Trust. A Restrictive Covenant will be recorded, ensuring compliance with the affordability restriction during the fifteen-year term.

This project, Lumen Flats, is being developed by Lumen Flats Knoxville, LLC, a subsidiary of Elmington Capital Group, LLC, and will consist of 18 units of PSH. The 18 studio units will serve young adults aging out of foster care who are homeless, at risk of homelessness, fleeing domestic violence, sexual assault, or human trafficking, or who are in need of supportive services to provide housing stability, with income at or below 30% AMI. Resident rents will be held at Project Based Voucher payment standards for the Knoxville Area as allowed by the HOME Program for an affordability period of 15 years. This project is located at 1585 Coleman Road.

ESTIMATED PROJECT SCHEDULE Construction of this development is anticipated to begin July 2025 and to be completed December 2025.

PRIOR ACTION/REVIEW City Council approved the submission of the HOME ARP Allocation Plan to the U.S. Department of Housing and Urban Development on September 20, 2022. Council is considering an Amendment to the HOME ARP Allocation Plan on April, 29, 2025, in conjunction with this request, and authorization of this award is contingent upon approval of the Amendment to the 2022 HOME ARP Allocation Plan by both City Council and HUD.

FISCAL INFORMATION The total award amount is \$1,000,000.00, funded in CD25.18