



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor, ACM

DATE: July 11, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding unprogrammed HOME Investment Partnership (HOME) funds.

STRATEGIC ALIGNMENT This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

BACKGROUND

As a Participating Jurisdiction in the HOME Investment Partnership (HOME) Program through the U.S. Department of Housing and Urban Development, the City of Denton receives an annual allocation of HOME funds. The City releases an annual application for eligible entities to apply for HOME funds for housing projects through the Community Development Grant Program. The Community Services Advisory Committee (CSAC) considers applications and makes annual funding recommendations to City Council.

The City currently has a balance of \$656,882 unallocated HOME funds, and the City is required to commit these funds by the 2027 Action Plan to remain in compliance with HUD regulations. In recent years, City of Denton has received low numbers of housing project applications through the annual Community Development Grant Program that are eligible for HOME funding. This has resulted in a significant amount of unallocated HOME fund for a second year in a row. The City's annual allocation of HOME funding is too small to attract affordable housing developments and is unlikely to do so in the future. The limited funds available, combined with significant federal requirements, make it impractical for large-scale affordable housing projects.

Staff conducted an evaluation of eligible projects and community needs to utilize the unallocated HOME funding. Eligible activities for HOME funding include affordable rental housing, homeownership assistance, tenant based rental assistance, land acquisition, and housing construction. Staff also evaluated community needs and any gaps in services.

1. According to the 2023-2025 City of Denton Consolidated Plan, cost burden is a notable housing issue in Denton. Increasing the availability of affordable units could help alleviate the rent burden for many families. As identified in the housing needs assessment, households paying more than 30% or 50% of their income on housing experience one of the most common housing challenges, particularly among renters. Of the 24,423 cost-burdened households in Denton, approximately 19,808 (81.1%) are renter households, compared to 4,615 homeowners (18.9%). Cost burden

remains a significant concern, especially for lower-income Denton renters. Approximately 13,118 single-person households may benefit from housing stability assistance programs, such as rental assistance, affordable housing, homeownership opportunities, and income assistance programs. Additionally, the Affordable Housing Toolkit includes Strategy 5A, which allocates grant funding to support non-profit eviction prevention services..

2. According to the 2025 Denton County Point in Time [Count](#) homeless census, 690 people are experiencing homelessness on any given night in Denton County, a 33% increase from 2024. Funding to assist people experiencing literal homelessness (living in a place not meant for human habitation like a car, on the street, in the woods, or in a shelter) in Denton is limited or nearing full expenditure.
3. Pandemic relief funding allocated for rental assistance through the HOME American Rescue Plan (HOME-ARP) program is nearing full expenditure estimated April 2026, leaving a gap in funding for rental assistance.

Allocation of Unprogrammed HOME Grant

The HOME Investment Partnerships Program (HOME) allows cities to create flexible programs that provide assistance to individual households to help them afford the housing costs of market-rate units. These programs, known as Tenant-Based Rental Assistance (TBRA) TBRA, provide payments to make up the difference between the amount a household can afford to pay for housing and the local rent standards. TBRA programs can also help tenants pay for costs associated with their housing, such as security and utility deposits.

Currently, the City has contracts with two local nonprofits allocating HOME-ARP funding for TBRA. Staff are exploring options to supplement remaining HOME-ARP funding with HOME funding to extend the length of time TBRA is available in Denton and increase case management capacity to support people experiencing homelessness to obtain and maintain stable housing. To accomplish this, the City would be required to amend the 2023-2027 Consolidated Plan, the 2025 Action Plan, and the Citizen Participation Plan. An estimated timeline of activities is included below.

Estimated Timeline: 2025-2026 Community Development Grant Program Application

Activity	Date
Complete Substantial Amendment to 2023-2027 Consolidated Plan, 2025 Action Plan, and Citizen Participation Plan	July 2025
CSAC Meeting: Staff update committee on HOME unprogrammed funds	August 8, 2025
30-day Comment Period	July/August 2025
Substantial Amendment Approval – City Council	August 2025
Submit Substantial Amendments to HUD	August 2025
HUD Review	September/October
HUD approval	October
Agreements to City Council	November

Based on current community need and projected full expenditure of available rental assistance sources, staff recommends allocating the \$656,882 of unprogrammed HOME funds for TBRA.

COMMITTEE DIRECTION

Staff is seeking the below direction from the committee.

1. Allocate the \$656,882 of unprogrammed HOME funds for TBRA.
2. Do not allocated the \$656,882 of unprogrammed HOME funds for TBRA.
3. Other committee direction.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Jesse Kent
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