



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor, ACM

DATE: November 18, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a substantial amendment to the City's 2021-2025 Action Plan for Housing and Community Development, the 2021 HOME-ARP Allocation Plan and the 2023-2027 Consolidated Plan for Housing and Community Development and the Citizen Participation Plan; authorizing the City Manager to sign and submit the substantial amendment; and providing an effective date. The Community Services Advisory Committee recommended approval (4-0).

STRATEGIC ALIGNMENT

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

DISCUSSION

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 \$648,104.79 unallocated HOME funds, and the City is required to commit these funds by the 2027 Action Plan (August 2027) to remain in compliance with HUD regulations. In recent years, the City of Denton has received very few 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 does not currently attract affordable housing developments and is unlikely to do so in the near future. The limited funds available, combined with significant federal requirements, can make it challenging for large-scale affordable housing projects to be implemented using HOME funding.

Staff evaluated eligible projects and community needs to utilize the unallocated HOME funding along with current community needs and service gaps. Eligible activities for HOME funding include affordable rental housing, homeownership assistance, tenant based rental assistance, land acquisition, and housing construction.

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, Strategy 5A of the City's the Affordable Housing Toolkit prioritizes eviction prevention strategies.

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 (HOME) Program enables cities to develop flexible programs that helps households afford the 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: Giving Grace and Our Daily Bread. Staff analyzed options to supplement the remaining HOME-ARP funding with HOME funding to extend the availability of TBRA in Denton and increase case management capacity to support individuals experiencing homelessness in obtaining and maintaining stable housing. To accomplish this, the City is required to amend the following plans:

1. **2021-2025 Action Plans for HOME funds:** Allocate \$648,104.79 in unprogrammed HOME funds for Tenant-Based Rental Assistance (TBRA) and Supportive Services programs for individuals experiencing homelessness, including security and utility deposits. The City currently funds TBRA and Supporting Services with HOME-ARP funds.
2. **2021 Action Plan and HOME-ARP Allocation Plan:** Amend the use of an estimated \$648,991.75 in HOME-ARP funds from TBRA and Supportive Services to allocate funds solely to Supportive Services, prioritizing the case management of households transitioning to permanent housing.
3. **2023-2027 Citizen Participation Plan:** Update the 2023-2027 Citizen Participation Plan to award funds directly to a subrecipient to manage TBRA and Supportive Services programs instead of a notice of funding availability and a 30-day application period. The City of Denton currently contracts with two Denton nonprofit organizations managing the TBRA and Supportive Services programs.
4. **2023-2027 Consolidated Plan:** Revise the 2023-2027 Consolidated Plan for Housing and Community Development to document the need for TBRA and Supportive Services and establish the same TBRA tenant preference as the City's HOME-ARP funding that targets assistance to persons from four qualifying populations. Populations include people experiencing literal homelessness, at risk of homelessness, fleeing or attempting to flee domestic violence, or other populations where services would prevent homelessness or would serve those at risk of housing instability, and include a special preference for persons experiencing literal homelessness.

OPTIONS

- Approve the amendment.
- Do not approve the amendment.

RECOMMENDATION

Approve the amendment.

ESTIMATED SCHEDULE OF PROJECT

Proposed Activity	Date
Substantial Amendment Approval – City Council	Nov. 18, 2025
Submission to HUD and approval*	Nov. 2025
City Council consider approval of amendments to TBRA agreements*	Jan. 2026

*May be delayed due to federal government shutdown.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Substantial Amendment for TBRA Program

Respectfully submitted:
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