

To: Mayor and Members of the Kingsport Board of Mayor and Aldermen

From: Michael Price

Date: March 16, 2026

Subject: Contract Amendment Request – 2025 CDBG Program (Kingsport Homeless Ministry) Grace House

This memorandum requests approval of a contract amendment to the City's 2025 CDBG Operating Agency Agreement with Kingsport Homeless Ministry.

The proposed amendment is administrative in nature and involves revising the activity "Method of Operation" language contained in Attachment A – 2025 CDBG Program Description of Operating Agency Activities – Section I.B. Method of Operation (Page 18) of the agreement. It does not change the award amount.

The current language identifies staff wages as the eligible CDBG expenditure. It is requested that this be amended to reflect the utility costs associated with operating the homeless service facilities.

Revised Method of Operation Language:

CDBG funds will be utilized for the costs of utilities for the suite of units located at 700–710 E. Sullivan Street, Kingsport. These units consist of Kingsport Homeless Ministry's facilities, including Grace House Night Shelter and Day Center, Appalachian Miles for Smiles dental clinic, and CSS IOP. Utilities, such as electricity, water/sewer, solid waste, telephone, and cable/internet services for the suite of units, allow Kingsport Homeless Ministry to provide safe night shelter and day center facilities to meet the needs of homeless men and women, including outreach coordination with City staff and other partners, case management to assist homeless persons in obtaining employment, stability and/or permanent housing, counseling services, and various dental and vision health services provided in-house by community partners.

Utility expenses are direct operating costs necessary to maintain safe, sanitary, and functional facilities serving low- and moderate-income individuals, including persons experiencing homelessness. Funding utilities ensures uninterrupted shelter operations, case management services, outreach coordination, and access to essential health-related services.

This amendment does not change:

The overall funding amount

The service population

The public service eligibility category under CDBG

The location of the activity

The amendment simply reallocates the eligible cost category within the approved activity to better support operational sustainability.

Recommendation:

Staff respectfully requests approval of this contract amendment to revise the “Method of Operation” as described above.

Approval will ensure the continued provision of essential shelter and supportive services to vulnerable residents within the City of Kingsport.