City of Asheville Staff Report

City Council Meeting Date: July 28, 2026

Staff Resources: Nikki Reid, Housing & Economic Development Director, Sasha Vrtunski, Affordable Housing Officer, Jannice Ashley, Deputy City Attorney, Carly Gillingham, Assistant City Attorney

Action Requested:

- Adoption of a resolution approving the Home Repair Policy, and allocate $3 million of 2024 Affordable Housing Bond funds for the Home Repair Program.

Background:

- Home repair was identified in the Affordable Housing Plan as a strategy to help combat displacement in neighborhoods. It is also an important way to maintain existing affordable housing or NOAH (Naturally Occurring Affordable Housing).
- Home Repair is also a part of the Anti-Displacement Affordable Housing (ADAH) project.
- After TS Helene, the City mobilized quickly to deploy $1.465 million of returned bond funds for storm-related home repair.
- 52 households were served with those funds, and approximately 40% of households were at or below 30% of area median income (AMI); 40% of households had incomes between 31% and 50% AMI and 20% of households had incomes between 51% and 80% AMI.
- The Affordable Housing Advisory Committee was convened to assist in developing a home repair policy. The Committee used data, heard from service providers, and looked at other home repair programs before making its final recommendations.
- The Affordable Housing Advisory Committee heard data gathered from property tax records indicating that up to 4,000 homes may need repairs (ownership & rental homes).
- Staff presented a draft policy at the May meeting; AHAC recommended changes.
- At the Policy Finance and Infrastructure Worksession on June 23, City Council heard the highlights of the policy and gave feedback that making the policy more flexible and able to address a wider population was preferred.

Key Policy Components:

The Home Repair Policy was written with an emphasis on preventing displacement and addressing the most vulnerable households, while remaining flexible to ensure the program reaches as many households as possible.

- Requirements for Homeowners:
    - Household income must be at or below 80% AMI, adjusted for household size, as published annually by HUD.
    - Homeowners must have lived in their house for the last 5 years. Staff may grant an exemption in cases where there has been damage caused by TS Helene.
    - The homeowner must occupy the property as their principal residence throughout

the repair process and, when applicable, through the lien forgiveness period.
    - The homeowner must not own other residential property. Listing on an heirs property with multiple owners will not disqualify the applicant.
    - Property must not have a tax value above $1 million.

- Program Priorities:
    - Households at or below 60% of Area Median Income (AMI)
    - Homes occupied by seniors, families with children, or persons with disabilities
    - Long-term homeowners and households at risk of involuntary displacement
    - Residences in neighborhoods/areas of the City identified as vulnerable to displacement or disinvestment. This is not intended to exclude repairs in other parts of the City.
    - Repair Agencies applying for funding will be asked to demonstrate how they will address these priorities in their program.

- Eligible Activities:
    - Health, safety, and critical repair needs.
    - Accessibility modifications, including ramps, grab bars, bathroom modifications, and supportive mobility upgrades.
    - Weatherization and energy-efficiency improvements, including insulation, air sealing, window/door repair or replacement, and HVAC efficiency upgrades.
    - Manufactured housing units are eligible, provided repairs comply with the city building code and local ordinances.
    - Emergency repairs when necessary to address immediate health or safety concerns.

- Ineligible Activities:
    - Repairs to properties not occupied by the legal owner as a primary residence.
    - Repairs to properties located outside the City limits.
    - Cosmetic improvements or upgrades that are not required to meet habitability or insurance requirements or that are part of completing other eligible activities.
    - New construction of additional dwelling units.
    - Reimbursement for work performed prior to approval.
    - Homeowner labor costs or sweat-equity reimbursement.

- Assistance Terms:
    - The maximum assistance available per home is $40,000.
    - Awards up to $25,000 will be provided as grants.
    - Awards over $25,000 will be structured as 0% interest, deferred, forgivable loans for repairs of $25,000 or more, up to $40,000
    - Loans will be forgiven in full if the homeowner remains in the home for 5 years after project completion - loan amount to be reduced by 20%/year until fully forgiven in year 5.
    - The forgivable loan may be transferred to a new and verified income-qualified

household, including income-qualified family members.

Project Timeline:

- December - March 2026: AHAC research and consideration of key components of a home repair policy
- May 2026: AHAC final considerations and recommendations.
- June 2026: Policy, Finance, and Infrastructure Worksession of Council review of key components and feedback.
- July 2026: Council approval
- August 2026: Release call for proposals
- September 2026:
    - Notify selected contractors for grant funding.
    - Execute grant agreements
    - Work begins

Affordable Housing Advisory Committee Review

- AHAC held 3 meetings (December 2025 to March 2026) to learn about, gather data on, and reflect on home repair programs.
- On May 14, AHAC met to discuss a draft policy brought forward by Affordable Housing staff. The Committee recommended several changes:
    - Lengthening the lien period for forgivable loans to 5 years
    - Making the forgiveness period occur over time (20% forgiveness each year),
    - Capping the value of homes at $1 million
    - Enabling waivers of the home occupancy period of 5 years in cases of storm damage
    - Moving the priority for Homes occupied by seniors, families with children, or persons with disabilities to a requirement

Note: All but the final recommendation have been incorporated into the final proposed policy

Recommended City Investment:

Staff recommends investing $3 million in bond funds for the Home Repair program.

Review of 2024 Affordable Housing Bond Investment

Program/Project	Amount Previously Allocated	Date of Council Allocation
WNC Affordable Housing Loan Fund	$10 million	Sept 9, 2025
319 Biltmore - Phase I	$1.5 million	June 24, 2025
Oak Hill Development	$1.6 million	June 23, 2026
Home Repair Allocation, if approved	*$3 million*	*July 28, 2026*
Total Allocated to Date	$16.1 million	
2024 Bond Funding Amount Remaining	$3.9 million	
Available HTF balance (non-bond funds)	$1.1 million	

Analysis Summary:

- Available data and estimates show a strong need for home repairs for lower-income homeowners:
    - The Affordable Housing Advisory Committee heard data gathered from tax records indicating that up to 4,000 homes may need repairs (including home ownership and rental units).
    - The 2024 Housing Needs Assessment estimated that approximately 20% of homeowners in the city limits are cost-burdened (2023). Cost-burdened homeowners are less likely to be able to keep their homes in good repair.
    - The 2024 Housing Needs Assessment also showed that 57% of homeowners live in homes built before 1970.
- The City has also invested $177,000 of steady-state CDBG funds in urgent home repair with Habitat.
- The City's past $1.465 investment in home repair was made in 2 grants to ARCHR.
    - The two grants served a total of 52 families with repair projects averaging $25,355 per household.
    - Of those 52 households, 21 households (40%) were at or below 30% of area median income (AMI); 21 households (40%) had incomes between 31% and 50% AMI, and 10 households (20%) had incomes between 51% and 80% AMI.
- With a $3 million investment, 68-108 homes could be repaired, depending on repair costs. More households could be assisted depending on project costs.
- Bond funds are an ideal source for smaller-scope home repairs because they do not have the same requirements as federal funds.

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing
- Well-Planned Community
- A Diverse Community

Council Priority Recovery Area(s):

- Housing

Committee(s):

- **Affordable Housing Advisory Committee (AHAC)** held 3 meetings (December 2025 to March 2026) to learn about, gather data on, and reflect on home repair programs. On May 14, AHAC met to discuss a draft policy brought forward by Affordable Housing staff and recommended approval with several changes.
- **Policy Finance and Infrastructure** Worksession - June 23, 2026 No vote taken.
    - Council heard the highlights of the policy and gave feedback that making it more flexible and better able to address a wider population was preferred.

Fiscal Impact:

- Approval of the staff recommendation to allocate $3 million of Affordable Housing Bond funds will reduce the available bond funds for other projects. Approximately $3.9 million will remain for allocation in the future.

Staff Recommendation:

- Staff recommends the adoption of the attached Home Repair policy.
- Staff recommends approving a $3 million allocation from the Affordable Housing Bond funds for the Home Repair Program.

Suggested Motion:

- Move to approve the Home Repair Policy and allocate $3 million of the Affordable Housing Bond dollars to home repair.

Attachment(s):

- Home Repair Policy
- Resolution adopting the Home Repair Policy

City of Asheville Resolution Number 26-___

Resolution approving a policy for the City's Home Repair Program utilizing local tax dollars

Whereas, N.C. Gen. Stat. sec. 160D-1311(b) authorizes the City to appropriate and expend funds for community development programs and activities, including programs of assistance and financing of rehabilitation of private buildings principally for the benefit of low- and moderate-income persons, or for the restoration or preservation of older neighborhoods or properties, including direct repair, the making of grants or loans, the subsidization of interest payments on loans, and the guaranty of loans; and

Whereas, N.C. Gen. Stat. sec. 160D-1316 further authorizes the City to engage in and appropriate and expend funds for residential housing construction new or rehabilitated, for persons and families of low and moderate income; and

Whereas, after Tropical Storm Helene in September 2024, the City mobilized quickly to deploy $1.465 million of returned bond funds for storm-related home repair, assisting approximately 52 households; and

Whereas, recognizing that a great need for home repair still exists, the City's Affordable Housing Advisory Committee was convened in March of 2026 to assist in developing an updated home repair policy. The Committee used data, heard from service providers, and looked at other home repair programs before making its final recommendations to staff's proposed policy in May 2026; and

Whereas, during the Policy, Finance, and Infrastructure Worksession on June 23, 2026, City Council provided feedback regarding program flexibility and reaching a broader population, guiding the final refinements now reflected in the updated Home Repair Program policy;

Whereas, the program will provide funding for home repair for homeowners at or below 80% of Area Median Income, with priority given to households at or below 60% of Area Median Income (AMI) and homes occupied by seniors, families with children, or persons with disabilities; and

Whereas, the program is targeted to address potential displacement of long-time homeowners in the City's neighborhoods, and the policy provides the necessary direction to accomplish this; and

Whereas, staff also recommends approval of an allocation of $3 million dollars of 2025 Affordable Housing Bond funds to implement this updated Home Repair Program;

Now, therefore, be it resolved by the City Council of the City of Asheville that:

1. The City Council hereby approves and adopts the policy for the Home Repair Program, dated July 28, 2026, which is incorporated by reference as if fully set forth herein; and authorizes the City Manager to execute any and all documents necessary to give effect to this resolution.
2. The City Council hereby approves an allocation of $3 million dollars of 2025 Affordable Housing Bond funds to implement this Home Repair Program.

Read, approved, and adopted this 28th day of July, 2026.

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Esther E. Manheimer, Mayor

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Brad Branham, City Attorney

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Magdalen Burleson, City Clerk