City of Asheville Staff Report

City Council Meeting Date:

- July 28, 2026

Staff Resources:

- Elma King, CDBG-DR Program Manager
- James Shelton, Community Development Division Manager

Action Requested:

- Adoption of a resolution authorizing the City Manager to execute an Amendment to the CDBG-DR Subrecipient Agreement between the City of Asheville and the North Carolina Department of Commerce for the Renew NC Single-Family Housing Program, increasing the obligated funding amount to $22,200,000 and updating the incorporated policies and program manuals.

Background:

- The City of Asheville was allocated $225,010,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) on January 16, 2025.
- On January 7, 2026, the City and NCDOC entered into a Subrecipient Agreement to carry out the City's Reconstruction and Rehabilitation of Owner-Occupied Housing Program, utilizing the State's Renew NC Single-Family Housing Program, consistent with Resolution No. 25-215.
- The original Subrecipient Agreement obligated $3,000,000 to cover eligible hard construction costs incurred within Asheville city limits.
- Recognizing that demand far outweighed the initial $3,000,000 allocation, City Council passed Resolution 26-140 on June 23, 2026. This resolution formally amended the City's CDBG-DR Action Plan to reallocate $19,200,000 to the Single-Family Housing Rehabilitation & Repair program, bringing the program's total budget to $22,200,000.
- This proposed amendment would officially authorize updates to the Subrecipient Agreement to reflect the Action Plan reallocation, increasing the total amount to be paid by the City to NCDOC for hard construction costs to an amount not to exceed $22,200,000.
- Additionally, the amendment replaces Exhibit A and Exhibit B of the original agreement to incorporate the updated Version 1.3 of the Renew NC Policies and Procedures and Version 3 of the City of Asheville CDBG-DR State of North Carolina Reconstruction and Rehabilitation of Owner-Occupied Housing Program Manual.

Vendor Outreach:

- N/A

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing

Council Priority Recovery Area(s):

- People
- Housing

Committee(s):

- N/A

Fiscal Impact:

- This action increases the contractual obligation to the North Carolina Department of Commerce by $19,200,000, for a total of $22,200,000. This utilizes federal CDBG-DR grant funds reallocated via the previously approved CDBG-DR Action Plan Substantial Amendment on June 23, 2026. No local City funds are required.

Suggested Motion:

- Motion to adopt a resolution authorizing the City Manager to execute an Amendment to the CDBG-DR Subrecipient Agreement between the City of Asheville and the North Carolina Department of Commerce for the Renew NC Single-Family Housing Program, increasing the obligated funding amount to $22,200,000 and updating the incorporated policies and program manuals.

Attachment(s):

- Resolution

City of Asheville Resolution Number 26-___

Resolution authorizing the City Manager to execute an Amendment to the Subrecipient Agreement with the State of North Carolina Department of Commerce (NCDOC) to increase the total funding allocation to $22,200,000 for the CDBG-DR Single-Family Housing Program.

WHEREAS, pursuant to N.C.G.S. §160D-1316, the City is authorized to engage in and to appropriate and expend funds for residential housing construction, new or rehabilitated, to persons and families of low and moderate income; and

Whereas, the City of Asheville is an Entitlement City for the federal Community Development Block Grant - Disaster Recovery (CDBG-DR) funding, having been awarded $225,010,000 in one-time funding in January 2025; and

Whereas, on January 7, 2026, the City and the NCDOC entered into a Subrecipient Agreement for NCDOC to carry out the City's CDBG-DR Reconstruction and Rehabilitation of Owner-Occupied Housing Program on the City's behalf; and

Whereas, the initial Subrecipient Agreement obligated $3,000,000 of the City's federal award to reimburse the State for eligible hard construction costs incurred within Asheville city limits; and

Whereas, via City Council Resolution 26-140 on June 23, 2026, the City authorized an amendment to its CDBG-DR Action Plan to reallocate an additional $19,200,000 to the Single-Family Home Repair Program to meet community demand, establishing a new program total of $22,200,000; and

Whereas, the City now desires to amend the Subrecipient Agreement with NCDOC to formally reflect this new budget, increasing the total amount of federal funds obligated to the Subrecipient for hard construction costs from $3,000,000 to $22,200,000; and

Whereas, this amendment will also incorporate updated program guiding documents, specifically Version 1.3 of the Renew NC Policies and Procedures and Version 3 of the City of Asheville CDBG-DR State of North Carolina Reconstruction and Rehabilitation of Owner-Occupied Housing Program Manual;

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

The City Manager is hereby authorized to execute the Amendment to the CDBG-DR Subrecipient Agreement between the City of Asheville and the North Carolina Department of Commerce for the Renew NC Single-Family Housing Program, increasing the total maximum amount to be paid by the City to $22,200,000, and to execute any other documents necessary to give effect to this resolution.

Read, approved, and adopted this 28rd 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