DRAFT OWNER-OCCUPIED HOME REPAIR PROGRAM POLICY GUIDELINES

July 28, 2026

I. INTRODUCTION

The City of Asheville ("City") Home Repair Program was established in 2026 to preserve safe, stable, and affordable owner-occupied housing within the city limits. The goal of the Program is to provide low-cost financial assistance for critical home repairs that allow low-income, long-term homeowners to remain safely housed, prevent displacement, and support long-term neighborhood stability.

The City will offer a combination of grants and deferred, forgivable, zero-interest loans, depending on the size of the repair award. All assistance will be used to correct deficiencies in health, safety, structural, weatherization, accessibility, and essential systems. Funding may be used for repairs to the primary residence of income-qualifying homeowners, including Manufactured Housing Units (MHUs).

II. PROGRAM PRIORITIES

The following priorities have been established for Program funding:

- 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.
- Residences in neighborhoods/areas of the City identified (by the City) 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.

III. ELIGIBILITY

A. Eligible Applicants (Home Repair Program Administrators)

Eligible Applicants: For-profit corporations, partnerships, or sole proprietors; private incorporated nonprofit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies. The applicant must have no financial interest in the unit(s) to be repaired.

B. Eligible Activities

Eligible activities include:

1. Health, safety, and critical repair needs, including but not limited to:
    - Roof repair or replacement
    - Electrical, plumbing, or HVAC repairs or replacements
    - Foundation and structural repairs
    - Water intrusion or moisture remediation
    - Septic and well system repairs when no public alternative is available
2. Accessibility modifications, including ramps, grab bars, bathroom modifications, and supportive mobility upgrades.
3. Weatherization and energy-efficiency improvements, including insulation, air sealing, window/door repair or replacement, and HVAC efficiency upgrades.
4. Manufactured housing units are eligible, provided repairs comply with the city building code and local ordinances.
5. Emergency repairs when necessary to address immediate health or safety concerns.

C. Ineligible Activities

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

IV. AFFORDABILITY AND OCCUPANCY REQUIREMENTS

A. Income Eligibility

Household income must be at or below 80% AMI, adjusted for household size, as published annually by HUD.

B. Owner-Occupancy Requirement

Homeowners must have lived in their home for at least 5 years at the time of application. Staff may provide an exemption in cases where there has been damage from TS Helene. The homeowner must occupy the property as their principal residence throughout the repair process and, when applicable, through the lien forgiveness period.

C. Other Requirements

- 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.

V. ASSISTANCE TERMS

A. Maximum Award Amount

The maximum assistance available per home is $40,000.

B. Structure of Assistance

To minimize barriers to participation, the Program provides:

1. **Grants**
    - Awards up to $25,000 will be provided as grants.
2. **Deferred, Forgivable Loans**
    - Awards 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.
    - Forgiveness will occur over time, with 20% of the loan forgiven each year until the 5-year period is reached.
    - The forgivable loan may be transferred to a new and verified income-qualified household, including income-qualified family members.

VIII. FAIR HOUSING

The Program will be administered in compliance with federal, state, and local Fair Housing requirements. The City prohibits discrimination based on race, color, sex (including gender identity and sexual orientation), religion, national origin, disability, familial status, or source of income.

Outreach will include targeted strategies to ensure equitable access for residents least likely to apply without additional support.

IX.SMALL BUSINESS PARTICIPATION ENCOURAGED

The Program Operator shall make good-faith efforts to recruit and select small business entities in accordance with the North Carolina General Statutes and applicable City policy.