CDBG and HOME Program Updates

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Agenda

1: Consolidated Annual Performance and Evaluation Report (CAPER)
2: Application Update
2: Audit Close Out (HOME and CDBG findings)
3: CDBG Timeliness

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HOME and CDBG
Consolidated Annual Performance Evaluation Report (CAPER)

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HOME and CDBG CAPER Outcomes

The Consolidated Annual Performance and Evaluation Report (CAPER) is an end-of-year progress report that the City of Asheville will submit to the U.S. Department of Housing and Urban Development (HUD).

Must be submitted to HUD by September 30th each year following a 15-day public comment period.

25/26 Funding and Expenditure Totals		
Funding Sources	**25/26 Grant Amount**	**Amount Expended**
HOME	$1,051,896	$3,115,671
CDBG	$972,202	$1,498,939
Total	**$2,024,098**	**$4,614,610**

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HOME 25/26 Outcomes

HOME 25/26 Accomplishments				
Project Type	**Funding**	**Outcome Type**	**Outcome Amount**	**Unit to Measure**
Tenant-Based Rental Assistance	$300,000	Rental Assistance	56	Households Assisted
Home Ownership Assistance	$400,000	Down Payment Assistance	15	Households Assisted
Rental Construction*	$3,395,000	Rental Units	14	Housing Units
Housing Rehabilitation	$587,602	Homeowner Rehabilitation	7	Housing Units

*Affordable multifamily construction. Funding amount reflects total HOME dollars committed. Units reflected are total HOME units completed and under construction with funds disbursed in 25/26. HOME investments leveraged over $23M to construct 299 total project units.

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HOME 25/26 Outcomes

HOME Investment Geographical Distribution		
Target Area	**Actual Percentage of Allocation**	**Geographic Description**
Transylvania County	29%	County-wide
Buncombe County	27%	County-wide
City of Asheville	16%	City-wide
Henderson County	16%	County-wide
Madison County	11%	County-wide

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CDBG 25/26 Outcomes

CDBG CAPER 25/26 Accomplishments				
Program Type	**Activity Category**	**Funding**	**Outcome Amount**	**Unit of Measure**
Economic Development	Direct Financial Assistance to For-Profits	$624,000	93	Businesses
	Microenterprise Assistance	$141,307	73	Persons
			115	Businesses
Housing	Single Family Rehabilitation	$44,236	27	Housing units
	Housing Services	$94,478	8	Housing units
	Housing Counseling	$24,211	59	Housing units
Public Services	Homeless Shelter Operating Cost	$250,000	1,628	Persons
	Legal Services	$38,514	2,039	Persons
	Services for DV Survivors	$41,577	238	Persons
	Crime Awareness	$20,449	209	Persons
	Homebuyer Downpayment Assistance	$55,000	1	Households
	Rental Housing Subsidies	$135,074	196	Households
	Housing Counseling	$27,300	565	Persons

CDBG - New Projects

50 Asheland Avenue Site Improvements - CDBG funding that was originally committed for improvements to Stephens-Lee Community Center was repurposed following the loss of the Carrier Park Skating Rink during Helene. Site improvements will allow Parks and Recreation to use the site for a skating rink and other community amenities. Mobilization of construction happening now.

Water Line Replacement - Water Resources Department was awarded CDBG funding this year to undertake the replacement of water service lines that have the potential for lead contamination. A firm has been procured to perform environmental reviews. Work is also underway to inventory potential homes requiring replacement and identify eligible homeowners wanting to participate in the program.

HOME and CDBG Application Timeline

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HOME and HOME-ARP Applications

- 2026 HOME Application
  - The Asheville Regional Housing Consortium voted to allocate any unawarded funds from 2025-2026 award cycle and the full available grant amount from the 2026-2027 HOME award to affordable rental construction
  - City Staff anticipate opening applications for new construction projects in November of this year and have applications close in December.
  - Another application cycle for the anticipated 27/28 funding will be held in early 2027. The Consortium has given direction to fund home repair and rental assistance in 27/28.
- HOME-ARP
  - The City will open two application for HOME-ARP funding, one for Supportive Services and Affordable New Construction
  - Applications will align with the 2026 HOME New Construction application cycle, with an application open date in November and close in December.
  - Currently working to amend the Allocation Plan to set a priority for serving individuals experiencing homelessness, particularly those homeless for the first time following Helene. Also amending the plan to leverage Coordinated Entry system for waitlist and tenant selection.
- Award Decisions
  - Award decisions will be made in February 2027

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2026 HOME and HOME-ARP Available Funding

HOME Funds

2026 Award with roll over 2025 HOME $s	$1,400,065
CHDO Set Aside	$161,270
Total Expected + CHDO Funds	$1,561,335

HOME-ARP Funds

Supportive Services	$1,000,000
Development of Affordable Housing	$3,001,942
Total Funds	$4,001,942

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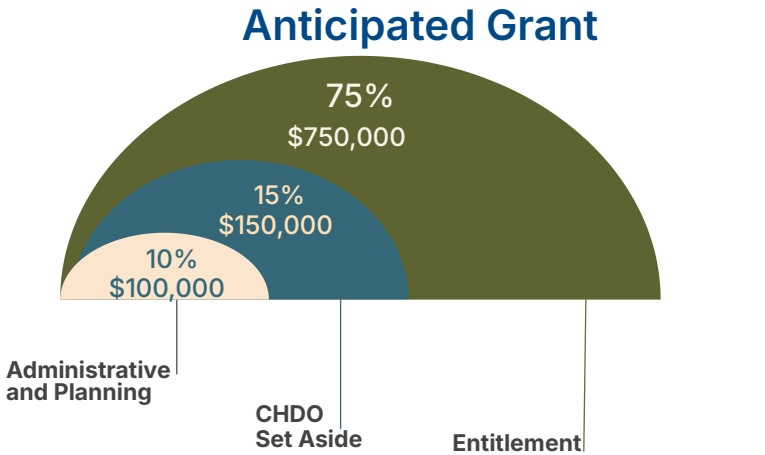
2027 HOME Applications

2027 HOME Program Application Cycle

City staff intend to initiate the application process for the 2027 HOME Award concurrently with the CDBG application cycle, scheduled for January 2027. The Asheville Regional Housing Consortium has authorized the opening of applications for both Tenant-Based Rental Assistance and Homeowner Rehabilitation programs.

Anticipated HOME Funds

2027 Grant	**$1,000,000**
Available to Award	**$750,000**
Homeowner Rehabilitation	$450,000
Tenant Based Rental Assistance	$300,000



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2027 CDBG Applications

2027 CDBG Application Cycle

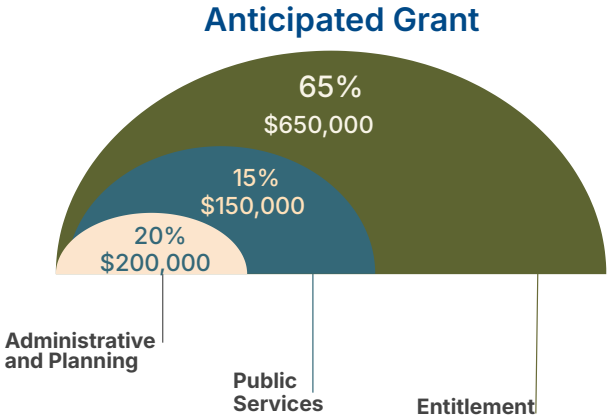
City staff anticipate undertaking the application process for the 2027/28 CDBG award cycle in January 2027.

Potential project categories include public facilities, economic services, home rehabilitation, and housing and homeless support services.

We will return to HCD later this year to ask your direction on how best to align funding decisions with our values and risk assessments

Anticipated CDBG Funds

2027 Grant	**$1,000,000**
Available to Award	**$800,000**
Public Services	Maximum $150,000
Other Projects	$650,000



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HOME and CDBG Audit Close Out

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HOME Audit Finding

The City of Asheville's January 2026 single audit of FY 24-25 resulted in a finding regarding the HOME Investment Partnership Program.

- Condition – The City did not perform monitoring for subrecipient eligibility determinations and did not verify subrecipients were audited as required by the Uniform Grant Guidance

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HOME Audit Finding Close Out

- The City formulated a corrective action plan to address the audit findings, which was approved by HUD
- All requisite measures to remediate these findings have been successfully implemented, including
  - the completion of staff training,
  - the approval of a monitoring plan,
  - the execution of subrecipient monitoring and the submission of reports to HUD, and
  - the receipt of audit compliance certifications from all subrecipients
- HUD has provided confirmation that all necessary remediations have been satisfied
- Currently awaiting formal written confirmation to finalize the close-out process.

CDBG Audit Finding

The City of Asheville's January 2026 single audit of FY 24-25 resulted in a finding regarding the CDBG Steady State Program.

- Condition – The City did not report subrecipient awards as required per the Federal Funding Accountability and Transparency Act (FFATA) and the Uniform Grant Guidance

City staff have completed a corrective action plan regarding the finding. City staff have updated the CDBG program manual to formalized the reporting of FFATA into SAM.Gov as part of the contracting process.

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HUD Limited Financial Review Results

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HUD Limited Financial Review Results

- During the week of August 10, representatives from HUD performed a limited financial review of Asheville's CDBG program
- This targeted evaluation included a focused review of internal policies and procedures
- HUD also closely scrutinized a selected CDBG contract and its corresponding drawdown vouchers and payments
- HUD staff concluded the audit with no findings regarding the CDBG program. We will receive a close-out report from HUD soon that will include some recommendations for process improvements that we look forward to implementing.

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CDBG Timeliness

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CDBG Timeliness Update

- HUD requires entitlement communities to invest their CDBG funds in a timely manner.
- As of May 2, 2026, the City's adjusted line of credit ratio was 2.13, exceeding the required threshold of 1.5.
- The City submitted a Corrective Action Plan to outline how we will meet the timeliness requirement by May 2, 2027. HUD has approved the plan and we will be implementing key projects over the next few months that ensure this requirement is met.
- As of September 9th, the City’s line of credit ratio has improved to 1.56

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We appreciate your feedback and questions

Thank you

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