City of Asheville Staff Report

City Council Meeting Date:

- October 13, 2026

Staff Resources:

- Nikki Reid, Housing and Economic Development Department Director
- James Shelton, Community Development Division Manager

Action Requested:

- Approval of the HOME-American Rescue Plan (HOME-ARP) Allocation Plan Substantial Amendment.

Background:

- The City's Community Development Division, in collaboration with the Asheville Regional Housing Consortium (ARHC), developed the HOME-ARP Allocation Plan, which guides the allocation of funds aimed at mitigating homelessness and fulfilling regional housing needs.
- The proposed substantial amendment revises the HOME-ARP Allocation Plan to add preferences and referral methods designed to address the increased need for housing assistance following Hurricane Helene.
- The amendment establishes a preference for individuals and families experiencing homelessness, including those experiencing homelessness for the first time as a result of Hurricane Helene, and incorporates the Coordinated Entry system and other eligible referral sources to ensure assistance is targeted to households with the greatest need.
- The ARHC voted unanimously to approve the amended Allocation Plan on August 12, 2026.
- Public Comment period opened August 31, 2026 until October 2, 2026. A draft HOME-ARP Substantial Amendment was available on the City's Community Development website and a Public Notice was announced on August 30, 2026 via the Asheville Citizens Times.
- A public hearing was held at the September 22, 2026 Asheville City Council meeting with public comments received attached as Exhibit A.
- With Council's approval, staff will submit the amended Allocation Plan to HUD for final approval.

Vendor Outreach:

- N/A

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing

Council Priority Recovery Area(s):

- Housing

Committee(s):

- The Asheville Regional Housing Consortium Board (ARHC) convened on August 12, 2026, to review and offer feedback on the proposed HOME-ARP Allocation Plan Substantial Amendment. Following this review, the Consortium voted to advance the proposed recommendations for the Allocation Plan.

Fiscal Impact:

- N/A

Suggested Motion:

- Move to approve the proposed substantial amendment to the HOME-ARP Allocation Plan.

Attachment(s):

- Resolution
- Exhibit A

City of Asheville Resolution Number 26-_____

Resolution authorizing the approval of the substantial amendment to the HOME-American Rescue Plan (HOME-ARP) Allocation Plan.

WHEREAS, the City of Asheville is the Lead Entity on behalf of the Asheville Regional Housing Consortium (ARHC) for the federal HOME American Rescue Plan (HOME-ARP); and

WHEREAS, the City developed the HOME-ARP Allocation Plan to guide the allocation of funds aimed at mitigating homelessness and fulfilling regional housing needs; and

WHEREAS, the City proposes a substantial amendment to the HOME-ARP Allocation Plan to revise preferences and referral methods to address the increased need for housing assistance following Hurricane Helene; and

WHEREAS, the Asheville Regional Housing Consortium Board (ARHC) reviewed and recommended the proposed substantial amendment on August 12, 2026; and

WHEREAS, a public comment period was held from August 31, 2026, through October 2, 2026, and the draft amendment was made available for public review; and

WHEREAS, a public hearing was held at the Asheville City Council meeting on September 22, 2026.

WHEREAS, public comments are attached as an Exhibit A.

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

1. City Council approves the substantial amendment to the HOME-ARP Allocation Plan and authorizes staff to submit the amended plan to HUD for final approval.

Read, approved and adopted this 13th day of October, 2026.

_____
Esther E. Manheimer, Mayor

_____
Brad Branham, City Attorney

_____
Magdalen Burleson, City Clerk

Exhibit A

City Council Meeting
September 22, 2026 5:31 pm
Youtube Video

Speaker: Sarah Newberry representing Homeward Bound

Hi my name is Sarah Newberry. Um I started working at Homeward Bound in June as the grants director and I just wanted to thank you for what you are doing here by also just a quick clarifier only because we came uh the organization came up that coordinated entry is participated in by lots of different nonprofits and local organizations including Helpmate, Safe Shelter, and Eliada and so it is a group that are working together together to help make sure that people are getting the assistance they need.

Email
Tammie Whitstine, Canton Resident
Received 9/23/2026

My name is Tammie Whitstine. I am a senior and disabled. In 2021 I lost my home due to the massive flooding in Canton, NC. I have been displaced from my beloved mountain roots and family since that tragic day. Unfortunately I had to relocate to Forsyth County after the loss of my home.

I am contacting this committee asking for the same urgency and importance given to other recent flood victims.

My application for HUD low income housing has finally been selected for review but I fear I will be once again passed over for Helene victims.

The flood I experienced in Canton was emotionally devastating and the loss of all possessions and my home as well as the displacement from my family for over four years has been equally traumatic.

Please consider myself and other survivors experiencing homelessness or displacement of other local natural disasters of equal importance. Some of us displaced survivors are sill in immediate need of relocating back to the place they have called home all their life near beloved family members.

Gratefully,

Tammie Whitstine

743-213-6019

tt.bibi81@gmail.com

Email
Candence Thompson, Resident
Received 9/23/2026

Hi

I think it's great you guys are planning to tackle the issue of homelessness

I support your efforts

Candace L Thompson
704-778-0779

Email
Alan Sweezey
Received 9/29/2026

Management of Tunnel Road and Kenilworth Degradation & Homeless Issues

The issues that we experience now on and around Tunnel Road worsened after Compass Point opened there, and then they significantly increased after Sunrise Community opened. These issues are impacting the livability of this area to the extent that current residents are already relocating to less problematic areas such as Weaverville and Hendersonville. Even visiting friends remark about these issues, and that they degrade the image of Asheville in the eyes of potential future visitors and residents. The problems have already fueled a downward spiral in the neighborhood social fabric, economy, and taxpayer base. It is serious, and it needs to be addressed urgently. Some issues are highlighted below:

1. A large problem is that the Tunnel Road area appears to have been converted into an unsafe public space. There is a concentration of apparently homeless persons as well as some visibly, mentally or physically unstable people roaming on sidewalks, panhandling at corners, jaywalking across the busy road, congregating at bus stops, and loitering around businesses. People don't feel safe walking the streets, or even driving in a car. People are being harassed, accosted, and even assaulted out of nowhere.

    a. the extent of the issue is large. It has reached the point that the great majority of pedestrians on Tunnel Road are apparently homeless. Hardly anyone else will walk there.

    b. Vehicular traffic is also affected, as shoppers bypass the issues (panhandling at stop lights, navigating jaywalkers) to shop in other areas.

2. There is illegal camping in many areas that are bounded by trees or otherwise partially hidden. This creates sanitary issues with drug needles and other waste, and it exacerbates drug use.Additionally, these encampments contribute to all the previously noted problems.

3. The housing and drug programs in the area do not seem to have a positive effect on the homeless population in general. From our point of view, it seems as if both programs do not have rules or guardrails that are sufficient to actually reduce the dependence on them over time. At Compass Point, there supposedly are rules about no drug use but on a recent tour, we smelled pot and brought it up to the tour guide – she stated that if the resident is found doing drugs they are written up, but nothing really happens to them. In addition, at Sunrise the counselors supposedly meet the drug addicts where they are – this could mean giving them paraphernalia to do drugs if they are not ready to go into rehab. This is not harm reduction but an increase in harm to both the client and the neighborhood businesses and residents.

4. The Mountaineer Inn property has become a mess; the property is in disrepair and it looks terrible. Homeless persons have broken the fence and then enter doors to individual units so that they can squat inside which has resulted in fires in the units. In general, it seems like a danger to public safety.

One of the drivers of this downward cycle certainly appears to be the proliferation of homeless services in the Tunnel Road area. And, it should not be surprising that the homeless will migrate toward available resources. In reviewing the impact nationwide, the poorer states that have the fewest social resources also tend to have lower homeless population rates. Even adjusting for density (as urban areas have more homeless), the correlation between service availability and homeless numbers doesn't disappear. At a recent drug rehabilitation and homeless resources fair, there were over 100 providers in the Asheville area there which is quite ludicrous for a city this size; it appears that the drug rehab and homeless resources community is a business and major employer in Asheville with few positive impacts in either area. At this point, it's obvious that other cities send their homeless or drug addicted populations to Asheville because of the proliferation of services in the area. Even at Compass Point, there are 100 workers for 85 residents and after 3 years only 5 individuals have gone on to become independent, functioning adults. In our mind, that is a very poor result. So, just constructing shelters, handing out food and other items does little to address the issues that the community is dealing with. Furthermore, we would argue that providing access to drugs and needles without processes to reduce drug dependency will not produce positive results. It will simply attract more drug problems, and do little to help these people become functioning members of society. Overall, the current concentration of resources shows no effectiveness in managing these problems. Our opinion is that the current Tunnel Road trajectory is between"ineffective" and "dangerous" to the city and its residents. We advocate adapting new strategies.

One alternative approach is to not just throw increasing resources toward temporary housing and drug dependence services on Tunnel Road, but to concentrate on a few processes that have already shown success in other cities. That includes moving toward a more "Treatment First" approach that makes overcoming addiction and mental illness a mandatory condition for receiving assistance. Some Important parts of this approach are:

- **Less "Housing First":** Moving away from a policy that provides permanent housing without sobriety or treatment prerequisites. Just providing housing with no end goal in sight has proven to be not helpful.
- **Mandatory Treatment:** Requiring individuals with substance use disorders or mental illness to accept treatment as a condition of participation. Allowing these individuals to obtain drug paraphernalia with no requirement to try and become drug free does not promote independence or a functioning individual – it just endangers the addict and the residents nearby as they try and obtain money to buy drugs and/or throw out their drug waste in nearby neighborhoods or businesses.
- **Grant Realignment:** Shifting Continuum of Care funding away from permanent housing toward transitional housing, temporary care, and supportive services. Providing job training and partnering with businesses to hire these individuals is necessary for them to become independent, functioning adults whereby they pay rent, buy their own food, and pay for transportation and utilities.
- **Encampment Enforcement:** Ban public camping and virtual "squatting" around bus stops and the Sunrise Community Center, for example.
- **Defunding Harm Reduction:** Ending support for needle exchanges and drug paraphernalia programs.

- **Civil Commitment:** Facilitating the potential use of involuntary institutionalization for individuals who pose a risk to themselves or others.
- To manage these issues long term, the city should also focus resources on increasing affordable housing and income assistance, particularly for the “working poor”. The city of Asheville should have already distributed and used the $4.1 million in Covid area housing money it received in 2021 – it is shameful that the money is still sitting there with no effective strategies for its use in reducing the homeless and drug addict population. A good example of effective methods to use while trying to reduce homelessness is the program the city of Houston implemented using $6 million in COVID grants. Homeless camps have been removed and at least 90% of the homeless population moved into a residential placement with support services for mental health, drug addiction, job training as well as cooperation with local businesses for job placement and landlords for independent living.

Janet & Alan Sweezey

Kenilworth Neighborhood

Email
Hendersonville Citizen wanted name withheld
Received 10/2/2026

Dear Comm./Dev. ... your receipt of Federal funds to aid in homelessness in WNC must be handled and distributed immediately .. I live in Henderson County NC and am homeless. I was evicted by my 'new' landlord after 34 years with my 'old' landlord [passed away]. This was in February, 2026. I have been 'UNHOUSED' since then because my only source of income is Social Security which is not able to pay rent in Henderson County. I am on 'lists' for housing with the Henderson County Housing Authority and also for Section 8 housing subsidies. There are about a dozen apartment complexes here in Henderson County that accepts rent based on income, but they all are advertising a waiting list. Subsidize a hotel room for me until an apartment opens up, is what I need. The local organization here in Hendersonville (THRIVE) that would be distributing funds, has a three year waiting list for funding. Do something to distribute these funds you currently have immediately !!! ... Homeless in Hendersonville

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Email
George Batten
Received 10/2/26

I am writing about the mess on Tunnel Road. I have read a letter that my neighbors wrote (Alan and Jan Sweezey) and the letter that my wife wrote (Kathy Batten), and I agree substantially with both. I tend to think my wife has the right idea regarding the type of program run by the Salvation Army, which requires an attempt at kicking the drug/alcohol habit and a signed contract.

My proximity to Tunnel Road has worried me for a good while now. Given that Kenilworth is not very far from South Asheville, I find myself spending my shopping dollars there, as it feels considerably safer than downtown Asheville. Currently, though, the population of homeless and drug/alcohol

addicted people on Tunnel Road makes me feel as if I live in downtown Asheville, which is very far from ideal. Perhaps if we spent less time and money on things that have not improved the situation (needle exchanges, for example) and spent more time and money addressing the solutions that just might work if they are ever tried (mandatory drug/alcohol recovery programs, a work requirement, commitment of those with mental issues that prevent them from leading a normal, productive life), we might not find our city listed in national publications as a city on the downward slope.

I understand that the city is sitting on $4.1 million in Covid money for housing. Why have we not used that money to address some of the Tunnel Road issues? Why do we fund housing for the homeless without requiring a commitment to get clean and sober while working, and programs like needle exchanges? Have you never heard the dictum "If you want more of something, then subsidize it?"

If you keep doing what you have been doing, you will keep getting what you have been getting. And that is a city on the decline.

George Batten
Kenilworth

Email
Kathy Batten O'Conner
Received 10/2/26

Residents in the Kenilworth neighborhood are experiencing issues on Tunnel Road that are very serious. Additionally, these issues impact the safety and livability of everyone who drives on Tunnel Road.

Compass Point and Sunrise have exacerbated these problems by attracting people, but not helping them with effective programs.

Their housing and drug programs are not providing the kind of help these people need to become drug free and how to live independently.
"Help me help myself " is the underlying principle of effective treatment.

Homeless people, drug addicts, and mentally unstable people are roaming around Tunnel Rd. We understand that there have been at least four people who have been run over in the street.

It has not been effective to give needles and drugs to addicts without providing a specific program to reduce drug dependency.

The Salvation Army has an excellent program for helping people overcome their problems. The program requires that the residents commit to working at the center for at least six months.

Please help us make our neighborhood and city a healthier place to live.

Best regards,

Kathy Batten O’Conner

Email
Kathy Batten O’Conner
Received 10/2/26

To Whom It May Concern:

I would like to express our hope that the city will allocate the $4.1 million from the COVID-19 Relief Funds toward housing. This support is much needed and long overdue.

Best regards,
Kathryn Batten