THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: January 27, 2026

Subject: CDBG-DR Small Business Support Program Grant Administration Subrecipient Awards

Staff Resource(s): Elma King, CDBG-DR Program Manager, and James Shelton, Community Development Division Manager

Action Requested: Adoption of a resolution authorizing the City Manager to enter into subrecipient agreements with Mountain BizWorks, Venture Asheville, Arts AVL, and Eagle Market Streets Development Corporation to provide grant administration support services for the Asheville small business community affected by Tropical Storm Helene; and authorizing the City Manager to sign all necessary documents to this effect.

Background:

- In September 2024, the City of Asheville (City) was severely impacted by Tropical Storm Helene (DR-4827-NC), producing unprecedented impacts on the City's infrastructure, economy, and housing.
- When a community's recovery needs exceed what is available through recovery resources from FEMA or other federal agencies, Congress may appropriate additional recovery funding through the United States Department of Housing and Urban Development's (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) Program.
- HUD allocated $225,010,000 in funds to the City of Asheville on January 16, 2025.
- The City's CDBG-DR Action Plan allocated $52,000,000 to Economic Revitalization Programs, inclusive of $17,000,000 for the CDBG-DR Small Business Support Program (SBSP).
- The SBSP program includes $15,500,000 for direct business support, $510,000 for business planning support/mitigation, and $990,000 for administrative costs.
- The City issued a Notice of Funding Opportunity (NOFO) on October 31, 2025 seeking qualified subrecipients and detailing competitive evaluation scoring criteria that aimed to measure the capacity of applicants to provide quality outcomes that directly relate to City priorities, community needs, and CDBG-DR federal requirements.
- The City received 5 eligible applications amounting to $21,355,000 but is constrained to award only $15,500,000 in subrecipient awards.
- The City plans to partner with 4 organizations selected through the aforementioned competitive application process to disburse grants to Asheville small businesses on the City's behalf.
- Selected subrecipients will disburse financial assistance grants to eligible small businesses, collect and report beneficiary and performance data, maintain detailed program records (including application files, job creation documentation, and supporting documentation), and cooperate with City-led audits, reporting requirements, monitoring visits, and reviews.
- The recommended allocation engaging 4 subrecipient organizations will leverage an additional $1,250,000 in funding from one subrecipient.
- To proceed, City Council must authorize subrecipient agreements between the City and Mountain BizWorks ($10,000,000), Venture Asheville ($855,000), Arts AVL ($2,322,500), and Eagle Market Streets Development Corporation ($2,322,500).

Committee(s):

- The Helene Economy Recovery Board met on January 15 and voted unanimously to support staff recommendations.
- The Planning, Economic Development, and Environment (PEDE) Committee met on January 20 and voted to recommend approval (2-0).

Council Goal(s):

- Financially Resilient City
- Thriving Local Economy
- Equitable and Diverse Community

Pro(s):

- Approval of the Subrecipient Agreements paves the way for small businesses to access CDBG-DR grant funds intended to help restore and revitalize Asheville's small business sector by promoting economic stabilization and continuity for impacted small businesses, promoting diversification of Asheville's economy, prioritizing job creation and retention activities that benefit LMI persons, and leveraging local partnerships to extend reach.

Con(s):

- None.

Fiscal Impact:

- The City's CDBG-DR Action Plan allocated $17,000,000 for the CDBG-DR Small Business Support Program. The $15,500,000 in subrecipient awards is expected to be fully offset by reimbursements from the CDBG-DR grant.

Suggested Motion:

- Motion to adopt a resolution authorizing the City Manager to enter into subrecipient agreements with Mountain BizWorks, Venture Asheville, Arts AVL, and Eagle Market Streets Development Corporation to provide grant administration support services for the Asheville small business community affected by Tropical Storm Helene; and authorizing the City Manager to sign all necessary documents to this effect.

Attachment(s):

- Resolution

RESOLUTION NO. 26-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUBRECIPIENT AGREEMENTS WITH MOUNTAIN BIZWORKS, VENTURE ASHEVILLE, ARTS AVL, AND EAGLE MARKET STREETS DEVELOPMENT CORPORATION TO PROVIDE GRANT ADMINISTRATION SUPPORT SERVICES FOR THE ASHEVILLE SMALL BUSINESS COMMUNITY AFFECTED BY TROPICAL STORM HELENE

WHEREAS, pursuant to N.C.G.S.§160D-1311, the City is authorized to engage in, to accept federal and State grant funds and loans for, and to appropriate and expend funds for community development programs and activities,including, but not limited to, programs concerned with employment, economic development and welfare needs of persons 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; and

WHEREAS, the City of Asheville was awarded $225,010,000 in one-time funding via the CDBG-DR Program in January 2025; and

WHEREAS, the CDBG-DR Action Plan was approved to be submitted to the U.S. Department of Housing and Urban Development (HUD) as part of Resolution No. 25-80 on April 8, 2025 and was approved by HUD on May 14, 2025; and

WHEREAS, the CDBG-DR Action Plan allocated $52,000,000 to Economic Revitalization Programs, inclusive of $17,000,000 for the CDBG-DR Small Business Support Program (SBSP); and

WHEREAS, the SBSP program includes $15,500,000 for direct business support, $510,000 for business planning support/mitigation, and $990,000 for administrative costs; and

WHEREAS, the City issued a Notice of Funding Opportunity (NOFO) on October 31, 2025 seeking qualified subrecipients and detailing competitive evaluation scoring criteria that aimed to measure the capacity of applicants to provide quality outcomes that directly relate to City priorities, community needs, and CDBG-DR federal requirements; and

WHEREAS, the City received 5 eligible applications amounting to $21,355,000 but is constrained to award only $15,500,000 in subrecipient awards; and

WHEREAS, the City plans to partner with 4 organizations selected through the aforementioned competitive application process to disburse grants to Asheville small businesses on the City's behalf; and

WHEREAS, selected subrecipients will disburse financial assistance grants to eligible small businesses, collect and report beneficiary and performance data, maintain detailed program records (including application files, job creation documentation, and supporting documentation), and cooperate with City-led audits, reporting requirements, monitoring visits, and reviews; and

WHEREAS, the recommended allocation engaging 4 subrecipient organizations will leverage an additional $1,250,000 in funding from one subrecipient; and

WHEREAS, approval of subrecipient agreements between the City of Asheville and Mountain BizWorks ($10,000,000), Venture Asheville ($855,000), Arts AVL ($2,322,500), and Eagle Market Streets Development Corporation ($2,322,500) paves the way for small businesses to access CDBG-DR grant funds intended to help restore and revitalize Asheville's small business sector by promoting economic stabilization and continuity for impacted small businesses, promoting diversification of Asheville's economy, prioritizing job creation and retention activities that benefit LMI persons, and leveraging local partnerships to extend reach;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to execute subrecipient agreements with Mountain BizWorks in the amount of $10,000,000, Venture Asheville in the amount of $855,000, Arts AVL in the amount of $2,322,500, and Eagle Market Streets Development Corporation in the amount of $2,322,500 to provide grant administration support services for the Asheville small business community affected by Tropical Storm Helene and to sign all necessary documents to this effect.

Read, approved, and adopted this 27th day of January, 2026.

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City Clerk Mayor

Approved as to form:

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City Attorney

RESOLUTION NO. 25-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SUBRECIPIENT AGREEMENTS WITH MOUNTAIN BIZWORKS, VENTURE ASHEVILLE, ARTS AVL, AND EAGLE MARKET STREETS DEVELOPMENT CORPORATION TO PROVIDE GRANT ADMINISTRATION SUPPORT SERVICES FOR THE ASHEVILLE SMALL BUSINESS COMMUNITY AFFECTED BY TROPICAL STORM HELENE

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City Clerk Mayor

Approved as to form:

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City Attorney