Thursday – January 22, 2026 - 11:00 a.m.

Agenda Briefing Worksession - For January 27, 2026, Council Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Maggie Ullman; City Manager DK Wesley; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Absent: Councilwoman Sage Turner

City Council held an agenda briefing worksession to discuss the upcoming and future agenda items. In addition, City Council reviewed upcoming City Council committees that will be taking place during the next two weeks.

Discussion occurred on the following other issues and updates:

- Audit Update
- Consent Item I - Grievance Process Discussion

At 11:53 p.m., Mayor Manheimer adjourned the agenda briefing worksession.

Tuesday – January 27, 2026 - 10:00 a.m

Regular Meeting

Present: Mayor Esther E. Manheimer, Presiding; Vice-Mayor S. Antanette Mosley; Councilman Bo Hess; Councilwoman Kim Roney; Councilwoman Sheneika Smith; Councilwoman Maggie Ullman; City Manager DK Wesley; City Attorney Brad Branham; and City Clerk Magdalen Burleson

Absent: Councilwoman Sage Turner

PLEDGE OF ALLEGIANCE

Mayor Manheimer led City Council in the Pledge of Allegiance.

Mayor Manheimer read a statement regarding Chamber decorum.

I. PROCLAMATIONS:

A. PROCLAMATION PROCLAIMING JANUARY 27, 2026, AS "INTERNATIONAL HOLOCAUST REMEMBRANCE DAY"

Mayor Manheimer read the proclamation proclaiming January 27, 2026, as "International Holocaust Remembrance Day " in the City of Asheville. She presented the proclamation to Ed Kramer, President of Congregation Beth Israel, who briefed City Council on some activities taking place during the day.

II. CONSENT AGENDA:

Mayor Manheimer asked for a motion to amend the agenda to add a motion to the Consent Agenda to reschedule the budget public comment period from February 10, 2026, to February 24, 2026. Vice-Mayor Mosley moved to amend the agenda to add to the Consent

Agenda a motion to amend the budget calendar to reschedule the budget public comment period from February 10, 2026, to February 24, 2026. This motion was seconded by Councilwoman Ullman and carried unanimously.

A. APPROVAL OF THE COMBINED MINUTES OF THE AGENDA BRIEFING WORKSESSION HELD ON JANUARY 8, 2026, AND THE FORMAL MEETING HELD ON JANUARY 13, 2026

B. RESOLUTION NO. 26-14 - 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

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.

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.

  One individual spoke in support of these agreements.

RESOLUTION BOOK NO. 46 - PAGE 228

C. RESOLUTION NO. 26-15 - RESOLUTION DIRECTING THE CITY ATTORNEY TO FORMALLY INTERVENE IN THE NORTH CAROLINA UTILITIES COMMISSION DOCKET E-100 SUB 207 OF DUKE ENERGY'S CARBON PLAN

Action Requested: Adoption of a resolution authorizing the City Attorney to formally intervene in the North Carolina Utilities Commission Docket E-100 Sub 207 of Duke Energy's Carbon Plan Integrated Resource Plan.

Background:

- In 2023, the City Council adopted Resolution 23-70 approving the Municipal Climate Action Plan, which includes engaging in state level and utility policy as one of 22 high impact activities.
- Session Law 2021-165, more commonly referred to as House Bill 951, required Duke Energy to develop a Carbon Plan outlining how the utility would achieve a 70% reduction in carbon dioxide emissions by the year 2030 and carbon neutrality by 2050, with plan updates every two years. The 70% reduction by 2030 interim carbon reduction target and other key provisions were removed in 2025 via Senate Bill 266 (Session Law 2025-78).
- Additionally, every two years Duke Energy submits an Integrated Resource Plan (IRP) to communicate strategies for delivering reliable electricity at the lowest cost (typically on a 10 to 20 year horizon). In 2023 the North Carolina Utilities Commission approved Duke Energy's request to submit the Carbon Plan and Integrated Resource Plan at one time, and it was named the Carbon Plan Integrated Resource Plan (CPIRP).
- Duke Energy's recommended CPIRP portfolio, released in October 2025, delays coal retirements, increases natural gas generation, reduces solar buildout and eliminates long-term planning for onshore or offshore wind or hydroelectric resources. The proposed plan also won't reduce GHG emissions until the late 2030's, jeopardizing the City's ability to meet our emissions reduction and renewable energy goals.
- The North Carolina Utilities Commission (NCUC) statutory review is an opportunity for local governments to weigh in before a plan is approved. To participate, the City must petition to become a formal intervenor by demonstrating they are a stakeholder in the proceeding. The City has officially intervened in three previous dockets at the NCUC in 2020, 2022 and 2024.
- Public comments provided to NCUC through the formal intervention process increases visibility and impact. The City's participation as an intervener is our best path to advance efficiency and renewable generation strategies that advance the City's goals and support residents' interests.
- Staff will provide an opportunity for council members to review full comments prior to submission.
- This is an opportunity to strengthen and highlight the success of the current partnership with Duke Energy and advocate for affordable, renewable electricity that also provides resilience benefits.

Vendor Outreach Efforts:

- Not applicable

Council Goal(s):

- Equitable and Diverse Community
- A Clean and Healthy Environment

Committee(s):

- Planning, Economic Development, and Environment, Jan 20, 2026, Recommended Approval (2-0).

Pro(s):

- Action prioritized in the Municipal Climate Action Plan and in Moving to 100% Renewable Energy Roadmap
- Supports resolutions 11-77 Establishing a 4% Carbon Reduction Goal, 18-279 Establishing a 100% Renewable Energy Goal, and 20-25 Declaration of a Climate Emergency.

- Timely and important opportunity to advance affordable, resilient, low carbon, renewable electricity for the City of Asheville, as a large customer and for the City's residents as ratepayers.
- Technical support is being provided by the Southeast Sustainability Directors Network and World Resources Institute, which reduces the time commitment for City staff.
- Collective action strategy of a joint intervention with Buncombe County in alignment with other NC local government comments provides an opportunity for regional impact.

Con(s):

- This will consume staff time to file the petition to intervene, draft comments, and monitor the docket.

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Motion to adopt a resolution authorizing the City Attorney to formally intervene in the North Carolina Utilities Commission Docket E-100 Sub 207 of Duke Energy's Carbon Plan.

RESOLUTION BOOK NO. 46 - PAGE 230

D. RESOLUTION NO. 26-16 - RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR GRANTS IN THE HELENE RECOVERY FUND FOR PARKS AND RECREATION TRUST FUND (PARTF) 2025-26 IN THE STATE OF NORTH CAROLINA, AND AUTHORIZING THE CITY MANAGER TO ACCEPT FUNDS IF GRANTED, AND TO EXECUTE ALL DOCUMENTS RELATED TO THE IMPLEMENTATION AND MANAGEMENT OF HELENE RECOVERY FUNDS FOR PARTF 2025-26 NORTH CAROLINA GRANT PROGRAM

Action Requested: Adoption of a resolution authorizing the City Manager to apply for grants in the Helene Recovery Fund for Parks and Recreation Trust Fund (PARTF) 2025-2026 in the State of North Carolina, and authorizing the City Manager to accept funds if granted, and to execute all documents related to implementation and management of Helene Recovery funds for PARTF 2025-2026 North Carolina Grant Program.

Background:

- The Disaster Recovery Act of 2025 (SL 2025-26, House Bill 1012) was ratified on June 27, 2025, allocating $4,158,875 to the Parks and Recreation Trust Fund for eligible uses in the affected area for local governments.
- The Helene Recovery Grant Program will be administered through the Parks and Recreation Trust Fund (PARTF) administrative code and awards will be selected by the NC Parks & Recreation Authority.
- Prioritization will be given to applicants from qualifying counties designated by the US Dept. of Housing & Urban Development as most impacted and distressed counties from Hurricane Helene. Buncombe County is a qualifying county.
- North Carolina counties and incorporated municipalities are eligible for Helene Recovery through PARTF grants.
- Applicant attests that (i) the application for funds is for repair, replacement, or construction of equipment, buildings, or natural features due to damage or effects from Hurricane Helene, including capacity-building, and (ii) the amount of funds requested is the amount of unmet need above the amount paid by insurance and

available federal aid.

- The program prioritizes funding of capital projects to repair, renovate, or replace damaged parks, trails, and facilities that will support long-term community resilience, environmental recovery, and equitable access to outdoor recreation following damage or effects from Hurricane Helene, not eligible for Federal funding or insurance.
- Funds are disbursed as a reimbursement once the grant contract is executed.
- The application deadline is January 30, 2026.
- A 1:1 match is required for awarded projects, with no maximum request requirement. FEMA or other grant funds may be used for the match.
- The anticipated project period for Helene Recovery Fund projects is May 1, 2026, to April 30, 2029.
- If awarded, Council will approve all applicable procurements.

Council Goal(s):

- Clean, Safe and Healthy Environment
- Financially Resilient
- Thriving Local Economy
- Well-planned and Livable Community

Committee(s):

- Infrastructure Recovery Board, February 10, 2026

Pro(s):

- Provides 1:1 matching state funding for mitigation projects, easing local budget burdens.
- Enhances public safety, infrastructure resilience, and community preparedness.
- Aligns with long-term mitigation and capital planning goals.
- Projects ineligible or denied for FEMA Public Assistance can still receive support.

Con(s):

- Applications are due by January 30, 2026; with no rolling submissions.
- All grant funds must be spent by April 30, 2029; which may limit long-term or phased projects.
- Evaluation is highly competitive.
- Funds are disbursed as a reimbursement once the grant contract is executed, requiring available capital.

Fiscal Impact:

- No action at this time. A budget amendment will be presented to City Council for each individual project grant award.
- Grant funding will be disbursed as a reimbursement once the construction is executed, requiring the City to have available capital for initial project funding. The grantee will need to report expenses for the grant project to NC State Recreation Resources for reimbursement.

Motion:

- Motion to adopt a resolution authorizing the City Manager to submit an application for the Helene Recovery Grant Program; accept grant funds if awarded; and execute all forms, agreements, and documents, as approved by the City Attorney, needed to implement and manage the Helene Recovery Grant Program.

RESOLUTION BOOK NO. 46 - PAGE 231

E. MOTION TO DIRECT STAFF TO SEND THE "RESPONSE TO THE AUDITOR'S FINDINGS, RECOMMENDATIONS, AND FISCAL MATTERS" TO THE SECRETARY OF THE DEPARTMENT OF STATE TREASURER REGARDING CITY'S 2025 AUDIT, UPON OBTAINING SIGNATURES FROM THE MAJORITY OF CITY COUNCIL MEMBERS

F. RESOLUTION NO. 26-17 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN EASEMENT AGREEMENT WITH MARIE AND WILLIAM CROSS FOR A PORTION OF RIGHT-OF-WAY LOCATED ADJACENT TO THEIR PROPERTY AT 44 ELK MOUNTAIN RIDGE ROAD

Action Requested: Adoption of a resolution to authorize the City Manager to execute an Easement Agreement with Marie and William Cross for a portion of right-of-way located adjacent to their property at 44 Elk Mountain Ridge Road.

Background:

- In October, the City approved installation of a private entrance walkway and driveway located at 44 Elk Mountain Ridge Road, Sherwood Heights Subdivision, Asheville, NC identified as PIN 9741-60-4303 which encroaches into the City right of way.
- When the improvements were first approved, the property owners were told they could be granted an encroachment agreement and the property owners agreed, not realizing that per City Code encroachment agreements allow the City to require removal of any encroaching improvements upon 30 days notice.
- The property owners, Marie and William Cross, consulted with their attorney and have requested an easement be granted rather than an encroachment agreement, since it secures a greater right to use the property for the improvements that were a significant investment and are necessary for improved access to their property.
- The Public Works Director has agreed to allow an easement right, rather than an encroachment, because the plans allowing the improvements in the right of way had already been approved by the City and construction had begun. The property owners have agreed that the easement document will make clear that the City will not have any responsibility for repair or replacement of the improvements should the City need to do work in the right of way in the future that may disrupt or damage the improvements.
- The permanent easement area(s) within the right of way is approximately 800 SF+/- as shown on the plat map recorded in Plat Book 254 Page 121.
- Public Work's Staff have determined that this permanent easement will not substantially impair or hinder the use of the right of way as a way of passage.
- Public Work's Staff recommend that no cost be assessed for the granting of this easement, since the City (Grantor) is being indemnified by the property owners (Grantees) and relieved of all responsibility for any repair or replacement of the improvements located within the right of way should they be damaged by future City work, thus diminishing the monetary value of said easement.

Council Goal(s):

- A well-planned and livable community.

Committee(s):

- None

Pro(s):

- The easement will not substantially impair or hinder the use of the right of way and the City will have no responsibility for repair or replacement of the improvements.
- Approval of an easement addresses property owners' concern about the ability of the improvements in which they have invested to remain in the right of way.

Con(s):

- None identified

Fiscal Impact:

- Public Work's Staff recommend that no cost be assessed for the granting of this easement, since the City (Grantor) is being indemnified by the property owners (Grantees) and relieved of all responsibility for repair or replacement of the improvements located within the right of way should they be damaged by future City work, thus diminishing the monetary value of said easement which is only 800 SF+/-.

Motion:

- Motion to adopt a resolution authorizing the City Manager to execute an agreement granting an easement on city right of way to the property owners of 44 Elk Mountain Ridge Rd., Marie and William Cross, for the purpose of constructing a private entrance walkway and driveway that encroach into the right of way in accordance with the terms and conditions described herein and to take all actions necessary to give effect to this resolution.

RESOLUTION BOOK NO. 46 - PAGE 232

G. RESOLUTION NO. 26-18 - RESOLUTION AUTHORIZING STAFF TO SUBMIT A FORMAL LETTER TO CONGRESSIONAL LEADERSHIP AND NORTH CAROLINA DELEGATION MEMBERS REQUESTING A DIRECT ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY ALLOCATION FROM THE US DEPT. OF HOUSING & URBAN DEVELOPMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS NECESSARY TO ACCEPT FUNDS IF ALLOCATED

Action Requested: Adoption of a resolution authorizing staff to submit a formal letter to Congressional Leadership and North Carolina delegation members requesting a direct additional Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation from the US Department of Housing and Urban Development (HUD) and authorize the City Manager to execute all documents necessary to accept funds if allocated.

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 and economy, along with widespread housing damage.
- On January 16th, 2025, HUD announced that the City of Asheville will receive a direct allocation of Community Development Block Grant - Disaster Recovery (CDBG-DR) funds in the amount of $225,010,000
- The CDBG-DR Action Plan, approved by City Council on April 8, 2025, included a summary of estimated unmet need and proposed allocation total $1,186,720,958.

- Now, sixteen months after Tropical Storm Helene, the City has begun to implement the 2025 CDBG-DR allocation and refined the remaining unmet need for the infrastructure, housing and economy to recover based on the most recent, publicly available data.

Vendor Outreach Efforts:
- Not applicable

Council Goal(s):
- A Well Planned and Livable Community
- A Clean, Safe and Healthy Environment
- Quality Affordable Housing
- Thriving Local Economy
- Connected and Engaged Community
- Fiscally Resilient City

Committee(s):
- None

Pro(s):
- Allows the city to advocate for additional federal resources to recover from Tropical Storm Helene.
- CDBG-DR funds, once allocated, are quickly reimbursed and have more diverse uses than other existing federal recovery grant programs.

Con(s):
- None

Fiscal Impact:
- The estimated remaining unmet need to the community is $1,322,710,821. If the City does not receive additional funds, the City may need to spend additional capital and operating funds to assist with Helene recovery.

Motion:
- Motion to adopt a resolution authorizing city staff to submit a formal letter to Congressional Leadership and North Carolina delegation members requesting a direct additional CDBG-DR allocation from the US Department of Housing and Urban Development (HUD) and authorize the City Manager to execute all documents necessary to accept funds if allocated.

RESOLUTION BOOK NO. 46 - PAGE 233

H. RESOLUTION NO. 26-19 - RESOLUTION AUTHORIZING STAFF TO SUBMIT A REQUEST TO THE NORTH CAROLINA CONGRESSIONAL DELEGATION REQUESTING A FEDERAL AUTHORIZATION AND FUNDING FOR A CITY OF ASHEVILLE COMPREHENSIVE WATER SYSTEM RESILIENCY AND CAPACITY ENHANCEMENT PROJECT DESIGNED TO EXPAND SERVICE RELIABILITY, STRENGTHEN SYSTEM REDUNDANCY, AND REDUCE VULNERABILITIES THAT COULD RESULT IN FUTURE POTABLE WATER SERVICE DISRUPTIONS AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL DOCUMENTS NECESSARY TO ACCEPT FUNDS IF ALLOCATED

Action Requested: Adoption of a resolution authorizing staff to submit a request to the North Carolina Congressional Delegation requesting a federal authorization and funding for a City of Asheville comprehensive water system resiliency and capacity enhancement project designed to expand service reliability, strengthen system redundancy, and reduce vulnerabilities that could result in future potable water service disruptions and authorize the City Manager to execute all documents necessary to accept funds if allocated.

Background:

- The City of Asheville's potable water system is critical public infrastructure supporting public health, safety, and continuity of operations for Asheville and surrounding communities, including regional medical facilities, major employers, and public safety partners.
- Recent storm events, including Tropical Storm Helene, exposed system-wide vulnerabilities that resulted in prolonged potable water service disruptions and demonstrated the risks posed by watershed instability, sediment mobilization, and limited operational redundancy.
- Post-storm conditions continue to threaten water quality and production capacity during rainfall events, increasing the likelihood of future service interruptions without targeted resilience investments.
- Authorization under the Water Resources Development Act (WRDA) is needed to advance priority water system resilience improvements that reduce these vulnerabilities and protect essential regional services.
- WRDA allows for the U.S. Army Corps of Engineers (USACE) to engage with a non-federal partner in a water infrastructure project, but that project must have a viable non-Federal project Sponsor, a project authorization, and funding appropriation supporting it.

Vendor Outreach Efforts:

- Not applicable

Council Goal(s):

- A Well Planned and Livable Community
- A Clean, Safe and Healthy Environment
- Thriving Local Economy

Committee(s):

- None

Pro(s):

- Would support additional resources for water system improvements to increase resilience, reliability, and redundancy of the municipal potable water system, including measures to reduce vulnerability to watershed instability, sedimentation, and storm-related impacts.
- Allows the city to advocate for additional federal resources to recover from Tropical Storm Helene.

Con(s):

- Work must be conducted by United States Army Corps of Engineers which will impact the total cost of the project

Fiscal Impact:

- The City anticipates requesting a total of $87 million, If allocated, the City will be required to provide a 25% match of $21.75 million. This match is expected to be provided by the

Water Resources Capital Improvement Plan although staff continues to explore other sources of funding to satisfy this requirement.

Motion:

- Motion to adopt a resolution authorizing staff to submit a request to the North Carolina Congressional Delegation requesting a federal authorization and funding for a City of Asheville comprehensive water system resiliency and capacity enhancement project designed to expand service reliability, strengthen system redundancy, and reduce vulnerabilities that could result in future potable water service disruptions and authorize the City Manager to execute all documents necessary to accept funds if allocated.

RESOLUTION BOOK NO. 46 - PAGE 234

I. ORDINANCE NO. 5194 - ORDINANCE AMENDING CHAPTER 2, ARTICLE IV, DIVISION 3 OF THE CODE OF ORDINANCES TO SPECIFY PERMITTED PERSONNEL REPRESENTATION IN GRIEVANCE HEARINGS

Action Requested: Adoption of an ordinance amending Chapter 2, Art. IV, Division 3 of the Code of Ordinances to specify permitted personnel representation in grievance hearings.

Background:

- The Asheville City Code of Ordinance prescribes the grievance procedure available to City employees wishing to present an individual or group complaint for consideration by City adminstration.
- The purpose of this procedure is to provide City employees with a delineated process by which their employment complaints may be considered promptly, fairly and without reprisal.
- The current Ordinance does not articulate the ability of grieving employees to be accompanied, and assisted, by a third party representative during the grievance hearings.
- This proposed amendment will add additional language to Sec. 2-226 of the City's Code of Ordinances to clarify who may qualify as a permitted representative for employees during the grievance process.
- This amendment will remove ambiguity in the existing ordinance, and ensure that grieving employees are adequately represented and afforded necessary due process when presenting their grievance.

Vendor Outreach Efforts:

- Not Applicable

Council Goal(s):

- A Well Planned and Livable Community

Committee(s):

- N/A

Pro(s):

- Removes current ambiguity in the City's personnel ordinance, and ensures employee due process while presenting grievances.

Con(s):

- None

Fiscal Impact:

- This action requires no City resources and has no fiscal impact.

Motion:

- Move to approve the amendment to Chapter 2, Article IV, Division 3 of the Code of Ordinances specifying permitted personnel representation in grievance hearings as specified in the proposed amendment included with the staff report.

Two individuals spoke in support of the ordinance amendment. They also asked the 13 new firefighters who were hired after July 1, 2026, receive the 3% raise that all other City employees received who were employed before July 1, 2026.

Mayor Manheimer said that regarding the pay issue, City Council just signed a letter to the Local Government Commission because, in part, our fund balance has decreased below our policy level. Unfortunately any increase in pay would require a budget amendment and we would have to use additional fund balance. She felt that we believe this funding is important for our employees and was regretful that our budget process last year wasn't clear. Council has a lot to work through.

Councilman Hess took accountability for not understanding the budget process last year, as he didn't realize we were not raising the pay range. He was concerned that in our budget crisis we may not be able to do that for public service employees. Therefore, he attempted to move to add a budget amendment to the consent agenda. This motion was seconded by Councilwoman Roney, who felt this should go through the proper process of adding a budget amendment to the agenda in advance of the meeting. It was noted that pursuant to City Council's Rules, the motion was not permitted because there was a substantive motion (adoption of the Consent Agenda) already pending.

Councilwoman Roney felt that we have wrestled with our firefighter's wages for the last 11 years. The struggle is with salary vs. hours. She wants to invest in our staff so that they stay. Since we find money for the things that we care about, she would support this budget amendment.

Mayor Manheimer questioned why Councilwoman Roney refused to sign the letter to the Local Government Commission which, in part, stated that our fund balance has decreased, but now supports taking more money out of fund balance. Councilwoman Roney said that she would re-read the audit letter again and consider signing it; however, it didn't feel right to sign the letter when we are in conversation about changing the amount.

In response to Vice-Mayor Mosley, City Attorney Branham said that we have a pending motion and second for the Consent Agenda. After this motion has been voted on, then another motion can be made to amend the agenda. There needs to be one motion on the table at a time.

The motion to adopt the consent agenda was carried unanimously.

Councilwoman Ullman had asked staff to provide Council with information on the budget negotiations from last year. She read experts from the March 25, 2025, meeting, and could understand the sense of confusion, but she did remember differentiating that a pay raise is different than a pay range adjustment with a different fiscal impact.

In response to Mayor Manheimer, City Manager Wesley said that the 2027 budget development is going to be very difficult. She listened and read and understood the budget discussions for 2026 and it represents to her that staff will work with the Asheville Police

Department and Asheville Fire Department to come up with a compensation plan that was fair and moved the needle a little bit more. Regarding a budget amendment, she felt we should deal with this as part of the 2027 budget. It's difficult to think of long-term impacts with mid-year adjustments. The pay plan will impact the ultimate structure. Again, she recommends City Council allow staff to work with our partners to present to Council information so they can make an informed decision regarding compensation. Back pay is still something that would have to be determined by City Council.

In response to Councilman Hess, Mayor Manheimer said that fund balance is not to be used for reoccurring expenses.

Mayor Manheimer suggested that Council work with the City Manager, since this is the beginning of many budget meetings, to figure this out. It's not a lack of want to pay our employees, but our estimate for salary adjustment for just the Asheville Fire Department is approximately $50,000, and for all employees hired since July 1, 2026, without compression, is approximately $250,000.

Councilman Hess supported the increase for all employees hired after July 1, 2026, especially since our budget gap for 2027 is approximately $30 Million.

Mayor Manheimer said that Council normally makes budget amendments throughout the year that are very technical in nature. We need to try to have predictability in our actions, especially regarding financial management.

Councilman Hess suggested the Asheville Firefighters Association grievance proceed and that Council revisit this item after the grievance process has been completed.

ORDINANCE BOOK NO. 36 - PAGE 372

J. MOTION TO AMEND THE BUDGET CALENDAR TO RESCHEDULE THE FEBRUARY 10, 2026, BUDGET PUBLIC COMMENT PERIOD TO FEBRUARY 24, 2026

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolutions and ordinances on the Consent Agenda and they would not be read.

Councilwoman Roney moved for the adoption of the Consent Agenda. This motion was seconded by Councilwoman Ullman and carried unanimously.

III. PRESENTATIONS & REPORTS:

A. ASHEVILLE DOWNTOWN IMPROVEMENT DISTRICT ANNUAL REPORT

Mr. Kevin Fraser, President of the Asheville Downtown Improvement District (ADID), was pleased to present to Council the successful ADID annual report.

Ms. Hayden Plemmons, Executive Director of the Asheville Downtown Association, provided Council with their 2025 annual report. Their first year's work reflects their commitment to a downtown that is welcoming, safe, economically strong, and culturally alive. From cleanliness and safety initiatives, to placemaking and vibrancy efforts, to data-driven decision-making and organizational leadership, the Asheville Downtown Improvement District (ADID) works to build a downtown we can all be proud of. Ms. Plemmons reviewed the ADID coverage map and the core services of clean & green; hospitality; and community vibrancy.

Special projects included seasonal lights, flower baskets, and activation partnership: Jon Jon the Happy Urbanist. She provided information on the operations overview, along with a chart of 2025 summary core services.

Regarding operations analysis (some which had before and after photos), (1) community engagement tasks - 5,756; (2) sweeping tasks - 19,416; (3) Code Brown tasks - 391; (4) landscaping tasks - 2,391; and (5) graffiti tasks - 2,988. She then explained the ambassador training, which is provided through a combination of classroom instruction, field-based learning, online classes, facility tours and ongoing wellness and skills check-ins. ADID's goal is to provide structured training at least biweekly, with additional sessions scheduled as conditions and needs evolve. She explained the board engagement and management structure, along with their launch of downtown business resilience strategy.

She explained the community input and data collection, stating that the tools are designed to support transparency, accountability, and consistent reporting to both the City and the community. She stated the ADID work plan for 2026, and showed a chart of the 2025 year end financials.

Ms. Plemmons responded to various questions/comments from Council, some being, but are not limited to: more information on the hiring process; what are the typical interactions by ambassadors; ratio of time of ambassadors interactions vs. cleaning;

B. MANAGER'S REPORT

Black History Month 2026 Highlights

Parks & Recreation Director D. Tyrell McGirt said that as we celebrate the 250th anniversary of the signing of the Declaration of Independence this year, the City of Asheville welcomes the opportunity to reflect on our community's past, honor contributions of all Americans, and look ahead to creating a future of abundance for the next generation. In February, all community members are invited to events highlighting Black heritage and community as Asheville Parks & Recreation hosts events to celebrate America's Semiquincentennial and Black History Month. He then provided Council with various activities throughout the month. Throughout the year, the City of Asheville and its partners share unique stories, rich cultural events, and opportunities to connect with neighbors that make our city a special place to call home. As we commemorate 250 years of our nation's history, our team is proud to showcase Black stories and voices that have shaped our world and our city. These journeys of hope and significant contributions are integral to the United States' shared culture and history – and highlighting them creates deeper personal conversations that inspire closer movement to our American promise that all are created equal.

IV. PUBLIC HEARINGS:

A. PUBLIC HEARING TO CONSIDER A PERFORMANCE-BASED ECONOMIC DEVELOPMENT INCENTIVE GRANT TO SUPPORT PROJECT VESSEL

RESOLUTION NO. 26-20 - RESOLUTION APPROVING A PERFORMANCE-BASED ECONOMIC DEVELOPMENT INCENTIVE GRANT TO SUPPORT PROJECT VESSEL

Economic Development Division Manager Rachel Taylor said that this is the consideration of a resolution authorizing the City Manager to enter into a performance-based economic development incentive grant agreement to support Project Vessel, in an amount not to exceed

$35,000 over a three-year grant agreement. This public hearing was advertised on January 16, 2026.

Background:

- A company, referred to as Project Vessel, is a creative manufacturing company, located in Asheville, specializing in ceramic dinnerware and other home goods. This project supports an accelerated expansion to double production capacity.
- The company has grown steadily over the last decade, doubling its production capacity from the previous year and employing 120 employees.
- The proposed expansion will streamline fulfillment by keeping it in-house, retaining 10-15 jobs, and expanding and streamlining production operations, doubling capacity. The expansion will bring the following:
    - $2.5M capital investment in machinery/equipment and real estate improvements
    - 40 new jobs with a $26/hour average wage
- The expansion enables the company to meet growing demand while working toward fulfilling its 10-year vision for a campus that showcases production, tours, and goods.
- The primary drivers of the decision include proximity to existing facilities and local incentive support.
- The City of Asheville is considering a performance-based grant in an amount not to exceed $35,000 in accordance with the City's adopted Economic Development Policy. North Carolina state law requires a public hearing be held before an incentive grant can be officially awarded.
- To maintain compliance with N.C.G.S. 158-7.1, the City must give the public at least 10 days' notice before adopting a resolution appropriating or expending funds to provide grants to a private entity for investments in commercial property.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- Economy

Committee(s):

- N/A

Pro(s):

- Performance-driven grant that is distributed after job and investment benchmarks are achieved, or mutually agreed performance benchmarks are established.
- Supports job creation and capital investment in Asheville.

Con(s):

- Grant is formulated based on use of a portion of the new incremental increase from property tax revenue generated by the project for a 3-year period.

Fiscal Impact

- If performance benchmarks are met, the annual distribution of the incentive grant would amount to $11,667 per year for three years, not to exceed a total of $35,000.
- This amount is available in the Community & Economic Development operating budget.

Ms. Taylor reviewed the following key takeaways for **Project Vessel -** Creative manufacturing company specializing in home goods. Project supports an accelerated expansion to double production capacity by early 2026 (1) Total Investment: $2.5M in taxable investments; (2) Jobs and Wages: 40 jobs; Average wage: $54,080 ($26/hour); (3) Benefits: Healthcare, dental, 401K matching, and additional benefits; (4) Anticipated Timeline: 1 year for buildout; (5)

Locations: The City is one of three locations being considered for this project; and (6) All incentives are paid as annual reimbursements for City taxes paid, upon completion of improvements and hiring workers. Regarding the City's Incentive Program (1) **Economic Development Policy (a)** Resolution #97-175 (1997) established City of Asheville's Economic Development Policy; - Resolution #15-140 (2015) amended the policy to establish a Living Wage benchmark for jobs; and (b) Designed to stimulate private sector investment, economic growth and job creation by offering grants consistent with the policy and availability of funds; and (c) Establishes a consistent manner for the City's participation in the development of business activity which will have a significant and positive effect on the economic health of the community; (2) **Partnership Model (a)** The City partners with the Economic Development Coalition (EDC) to facilitate negotiations; and (b) State of North Carolina, Buncombe County, and the City of Asheville work together to leverage competitive incentive packages; and (3) **Industrial Development and Business Development Grants (a)** Based on company's taxable investment, up to a maximum of 90% of taxable capital investment and 7 years; (b) Structured as a 5–7-year grant based on performance (hiring, upfit, construction, paying annual taxes); (c) Initial proposal reviewed in closed session, final approval is subject to a public hearing; and (d) Confidentiality aids our negotiations and competitiveness. About the project overview (1) The company is a creative manufacturer of ceramics and other home goods; (2) The company has grown steadily over the last decade, doubled its production capacity from last year, and employs 120 employees; (3) The proposed expansion aims to meet the following needs: (a) Streamline fulfillment and keep it in-house, retaining 10-15 jobs; and (b) Expand and streamline production operations to double capacity; (4) The company is discussing expanding and upfitting one of its local facilities; (5) The expansion allows the company to meet growing demand while working toward a 10 year vision for a larger campus to showcase production, tours, and goods; (6) The primary drivers of the decision include proximity to existing facilities and incentive support; (7) The company is also considering the following locations: Asheville, NC; Henderson County, NC; Greenville, South Carolina; and (8) Investment Timeframe: 1-3 years – includes decision, announcement, investments, and job creation. Project commitments include (1) **Investment -** *Total Investment: $2.5M (a)* Property improvements: $500K; and (b) Business Personal Property, Machinery, and Equipment: $2M; (2) **Jobs, Wages, and Benefits (a)** *Total new jobs:* 40; (b) Average Wage: $54,080 or $26/hour - General Labor: 30 positions; $23/hour ($47,840/annual); Warehouse: 5 positions; $23/hour ($47,080/annual); Supervisor: 3 positions; $35/hour ($72,800/annual); Engineering/Technical Positions: 2 positions; $67/hour ($140,000/annual); and (c) Benefits: Healthcare, dental, PTO, EAN, 401K matching, and additional benefits; and (3) **Additional Commitments -** Commitment to the Inclusive Hiring Program and Operation Gateway. Staff recommends entering into a performance-based economic development incentive grant agreement to support Project Vessel, in an amount to not exceed $35,000 over a three-year agreement - Per Economic Development Policy, incentives will be paid over a 1-3 year period, subject to the completion of improvements and hiring of workers as outlined in an Economic Development Agreement.

Mayor Manheimer opened the public hearing at 11:27 a.m., and when no one spoke, she closed the public hearing at 11:27 a.m.

Mayor Manheimer said that members of Council have previously received a copy of the resolution and it would not be read.

Councilwoman Roney moved to authorize the City Manager to enter into a performance-based economic development incentive agreement to support Project Vessel, in an amount not to exceed $35,000 over a three-year grant agreement. This motion was seconded by Councilwoman Smith and carried unanimously.

RESOLUTION BOOK NO. 46 – PAGE 235

B. PUBLIC HEARING TO REZONE 22 BROAD STREET FROM RM-8 RESIDENTIAL MULTI-FAMILY MEDIUM DENSITY DISTRICT TO COMMUNITY BUSINESS I DISTRICT

ORDINANCE NO. 5195 - ORDINANCE TO REZONE 22 BROAD STREET FROM RM-8 RESIDENTIAL MULTI-FAMILY MEDIUM DENSITY DISTRICT TO COMMUNITY BUSINESS I DISTRICT

Principal Planner Will Palmquist said that this is the consideration of an ordinance to rezone 22 Broad Street from RM-8 Residential Multi-Family Medium Density District to Community Business I District. This public hearing was advertised on January 16 and 23, 2026.

Project Location and Contacts:

- The rezoning petition consists of one property totalling 0.19 acres and located at 22 Broad St (PIN 9649-43-3868).
- Owner: Kimberly Winters & Mathes Horner Mennell

Summary of Petition:

- The applicant requests a rezoning of one property to the Community Business I (CBI) District.
- The subject property is the site of an existing single-family house.
- The property is currently zoned Residential Multi-Family Medium Density (RM-8).
- The subject property is designated “Traditional Corridor” on the city’s Future Land Use (FLU) Map. A change to the FLU Map is not required.

Staff Recommendation:

- Staff recommends approval of this rezoning request based on the reasons stated below.

Comprehensive Plan Consistency:

- The proposed rezoning supports a number of goals in the Living Asheville Comprehensive Plan including:
  - **Encourage Responsible Growth** - by ensuring that new development has the appropriate infrastructure to support it (p. 132).
  - **Facilitate Real Estate Development that Maximizes Public Benefit** - by establishing accessible and well-connected commercial nodes consistent with strategies outlined in the plan’s growth areas (p. 201).
- The proposed rezoning is compatible with the Future Land Use designation of “Traditional Corridor” which is described, in part, as “a roadway with a large variety of land uses including commercial, office and residential uses at a variety of scales. The commercial and mixed-use areas along a traditional corridor are typically flanked by residential neighborhoods on one or both sides of the street. The development pattern along a traditional corridor most closely resembles a “main street” with buildings located close to the street” (p. 343).
- Community Business I (CBI) is cited as an appropriate zoning district within the “Traditional Corridor” Future Land Use category.

Compatibility Analysis:

- The purpose of the Community Business I (CBI) district is, “to provide areas for medium-density business and service uses serving several residential neighborhoods. This community business center may serve as a workplace for many residents in the surrounding neighborhoods and should be sensitive to a significant pedestrian

population, but also provide for adequate and safe vehicular access. The Community Business I District is designed to be located primarily along streets which serve multiple residential neighborhoods" (UDO Sec. 7-8-12).

- The proposed rezoning petition is compatible with the surrounding land uses, including:
    - Commercial uses in the nearby vicinity along Broad St, Liberty St, and Merrimon Ave, many of which are located within former single-family residences.
    - Single-family residential neighborhoods generally surrounding the subject property.

Council Goal(s):

- This project is most closely aligned with the council goal of *A Well-Planned and Livable Community*.

Committee(s):

- Planning & Zoning Commission (PZC) - January 7, 2026 - Approved (Vote 7:0)

Pro(s):

- Allows for a wider array of commercial, office, and retail uses at the subject property.
- Encourages the preservation and conversion of the existing residential structure on the subject property into a different, commercial-oriented use.
- Is consistent with the development pattern along this section of Broad St.

Con(s):

- None identified.

UDO District Comparison

UDO Provision	**Residential Multi-Family Medium Density (RM-8) - *Existing***	**Community Business I (CBI) - *Proposed***
Allowed uses:	● Multi-Family ● Single-Family Detached ● Duplex ● Townhouse ● Accessory Dwelling Unit ● Cottage Development ● Limited public, institutional, and recreational uses	● Multi-Family ● Single-Family Detached ● Duplex ● Townhouse ● Accessory Dwelling Unit ● Limited public, institutional, and recreational uses ● **Commercial, office, and retail uses**
Density:	2 units for first 4,000 SF lot area and an additional unit for each additional 1,000 SF of lot area	None.
Lot Size Minimum:	Min. 4,000 s.f.	None.
Lot Width Minimum:	Min. 40'	None.
Building Height:	Max. 40'	Max. 40'
Building Setbacks:	Front: 15', Side: 6' min, Rear: 15' min	Front: 0'-15', Side: 0', Rear: 0'

Parking	Standard (1 per unit typically)	None required for residential uses and most commercial uses.

Mr. Palmquist reviewed the existing and proposed zoning, the aerial imagery and the future land use map. He then provided the zoning district comparison of the two districts, along with the pros and cons. He then provided the compatibility analysis. He then explained how the project was consistent with the Living Asheville Comprehensive Plan. The Planning & Zoning Commission voted unanimously to approve the rezoning. He said that staff concurs with the Planning & Zoning Commission and recommends approval of the rezoning.

Vice-Mayor Mosley opened the public hearing at 11:32 a.m., and when no one spoke, she closed the public hearing at 11:32 a.m.

Vice-Mayor Mosley said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Ullman moved to approve the rezoning request for the property located at 22 Broad St from Residential Multi-Family Medium Density (RM-8) to Community Business I (CBI) and find that the request is reasonable, is in the public interest, is consistent with the city's comprehensive plan and meets the development needs of the community in that the request: 1) Ensures that new development has the appropriate infrastructure to support it; and, 2) Establishes accessible and well-connected commercial nodes consistent with strategies outlined in the plan's growth areas. motion was seconded by Councilwoman Smith and carried unanimously.

ORDINANCE BOOK NO. 36 – PAGE 374

C. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE UNIFIED DEVELOPMENT ORDINANCE TO AMEND SECTION 7-14-1 THAT WOULD ALLOW EXISTING NON-CONFORMING STRUCTURES TO BE CONVERTED INTO ACCESSORY DWELLING UNIT WITHOUT BOARD OF ADJUSTMENT REVIEW

ORDINANCE NO. 5196- ORDINANCE AMENDING THE UNIFIED DEVELOPMENT ORDINANCE TO AMEND SECTION 7-14-1 THAT WOULD ALLOW EXISTING NON-CONFORMING STRUCTURES TO BE CONVERTED INTO ACCESSORY DWELLING UNIT WITHOUT BOARD OF ADJUSTMENT REVIEW

Planning & Urban Design Director Stephanie Dahl Baum said that this is the consideration of an amendment to the Unified Development Ordinance to amend Section 7-14-1 that would allow existing nonconforming structures to be converted into Accessory Dwelling Units without Board of Adjustment review. This public hearing was advertised on October 17 and 24, 2025. On October 28, 2025, this public hearing was continued to this date.

Background:

- The City adopted an ordinance in 2015 (current ordinance) to clarify the standards and process for property owners to develop Accessory Dwelling Units (ADUs); ADUs were already allowed in residential zoning districts.
- The current ordinance allows the owners of non-conforming structures (ONCS) to develop them as ADUs as long as they meet other/more recent lot and structure

standards of the City's ordinance; the result of that wording is that most ONCS need to apply for a variance from the City's Board of Adjustment before developing existing structures as ADUs.
- 37% of all structures in Asheville's residential zoning districts are identified to be nonconforming.
- From 2023 to today, the Board of Adjustment has heard 38 variances requests; of which,16 have been granted to allow the conversion of existing non-conforming structures to ADU's. ADU cases represent 42% of all zoning variance requests during that time; the percentage has increased every year since 2022.
- Staff developed this proposal in 2024 so that Council could consider removing what appears to be a layer of unnecessary and costly bureaucracy in neighborhood backyard housing development; leveling the playing field for the development of ADUs is also aligned with City policies based on aging in place and promoting affordability.
- The proposed amendment would allow for existing structures to be converted into ADUs without having to pursue a variance, specifically that ADUs "may occupy conforming or lawfully created non-conforming existing accessory structures, or lawfully created non-conforming primary residential structures".
- The proposed amendment also clarifies that the calculation for gross floor area (GFA) for ADUs shall not include covered decks, patios, and porches; and removes unclear, erroneous and/or extraneous language.
- This text amendment does not change how new ADUs are permitted, or where they are allowed. Since adoption of electronic recordkeeping, City staff have permitted 333 ADU's, 80 of which have been in what are now known as "7F parcels". These new buildings have to meet the 6' setback requirements in order to be approved.

Community Outreach and Feedback:
- The City performed outreach to neighborhood associations, held one online information session, and one in person information session, in September 2025.
- Public participation was limited; comments were generally positive.
- The Legacy Neighborhood Coalition (LNC) provided public comment to staff and the City's Planning and Zoning Commission that did not express opposition, but noted concerns regarding community awareness of the proposal, availability of space for parking, promoting predatory investments in legacy neighborhoods, the need for additional data and communication from the City, and the need for the City to monitor and report outcomes from zoning changes.
- Staff's preliminary response to community feedback is an increased commitment to neighborhood awareness, and data collection and reporting. Emerging efforts to strengthen a working partnership between the City and LNC is intended to help address concerns.

Comprehensive Plan Consistency:
- This proposed amendment supports the *Living Asheville Comprehensive Plan* by advancing the following Goal Area:
    - **Encourage Responsible Growth:**
        - by standardizing and clarifying the process to create backyard ADUs through by-right adaptive reuse, and
        - by removing barriers to achieving the City's housing and community development goals

Council Goal(s):
- An Equitable and Diverse Community
- A Well-Planned & Livable Community
- A Healthy Community

Boards/Committees:

- Board of Adjustment
    - 2/26/24 unanimous support 5-0
- Planning and Zoning Commission
    - 5/1/24 (as part of larger package of "Backyard Housing" proposals) Recommended unanimously that Council adopt the entire package with 8 amendments, 3 of which were pertinent to ADUs
        - Require staff to track implementation to understand effectiveness and number of units created
        - Increase the maximum allowed gross floor area to 1,200 s.f.
        - Continue ongoing community engagement for holistic anti-displacement strategy.
    - 10/1/25 Recommended Council approval with the condition that parcels identified in Appendix 7F of the Asheville Code of Ordinances be excluded from this amendment.
- Housing & Community Development Committee
    - 1/20/26 - Formal recommendation was not made

Pros:

- Levels the playing field for owners of non-conforming structures wishing to convert their existing structures into ADUs
- Significantly reduces the amount of City and volunteer resources needed to operate the City's quasi-judicial Board Of Adjustment
- Eliminates overhead costs to infill development by removing variance fees
- Strongly aligned with recommendations in Comprehensive Missing Middle Supports use of existing building inventory rather than new construction

Cons:

- While staff does not anticipate this action to create negative impacts, it is noted that the community has concerns. Data monitoring, reporting is a best practice that will be used to respond to these concerns.

Staff Recommendation:

- Staff recommends approval of the zoning text amendment request based on the reasons stated above.
- Staff additionally recommends against adoption of this ordinance using Appendix 7F, as recommended by PZC. The use of Appendix 7F creates confusion for property owners, includes a loophole for larger property owners, and comes with significant legal risk. The City Attorney's Office cautions that inclusion of the 7F exclusion would place the entire zoning amendment in legal jeopardy, and expose the City to numerous challenges from property owners within the 7F areas.

Ms. Dahl explained what an Accessory Dwelling Unit (ADU) is, along with the definition of nonconforming structures. The amendment summary is to allow owners of (existing yet) non-conforming structures the right to turn them into ADUs without having to first apply for and receive a variance at a quasi-judicial hearing at the City's Board of Adjustment. ADUs are already a use by right in all residential zoning in the City; this amendment would equalize the process for all.

Urban Planner Sam Starr-Baum explained the amendment context for housing. Amendment benefits include (1) remove barriers to our community's use of existing neighborhood structures for new housing; (2) promote the creation of smaller units, which can be the most affordable units; (3) simplify the pathway for residential property owners with limited access to

capital to create more wealth via home-ownership; (4) support existing residents being able to age in place, or take care of family and friends in need of a place to live; and (5) reduce the number of volunteer and staff hours spent hearing cases at the Board of Adjustment.

Ms. Dahl then reviewed the various community concerns addressed by staff during the outreach. She said the Planning & Zoning Commission recommended adoption using Appendix 7F - During Commission discussion on 10/01/25, there was some questions about whether or not it was appropriate for them to recommend adoption of this ordinance without having a specific anti-displacement strategy attached to it, and some confusion about whether or not Council wanted to see any proposed amendments at this time. The staff recommendation was adoption of the amendment “as is” - Staff believes that removing barriers to using buildings that already exist as new housing is- as presented in the Comp Plan, The Missing Middle/Displacement Analysis Study, and the Affordable Housing Plan- one small way that the City can address the housing crisis and concerns about how we can keep existing residents here in Asheville.

She explained the alternatives to Appendix 7F - Appendix 7F was adopted by Council on March 11, 2025. It is a list of ~2,000 parcels that, when added to another ordinance, are left out/carved out from new regulations/changes to regulations.. The intention of Appendix 7F is to protect more vulnerable communities from any potential negative impacts due to rapid changes; but in practice staff believe its use and effectiveness are questionable; Staff presents three general reasons why 7F is a less-than-ideal zoning tool, and one reason why it is particularly problematic in this specific case; staff suggests a new path forward (a) **The Subdivision Loophole:** Because the restriction is attached to the parcel number, it is impermanent. If a property owner subdivides a lot, the property is technically no longer part of Appendix 7F; (b) **Administrative Confusion**: It complicates how property owners and staff understand what rules apply by imposing zoning-like restrictions via a text ordinance list rather than a map overlay; property owners have to to be expert-level UDO user to know how the ordinance works; (c) **The Protection Paradox**: "Protecting" these areas by limiting development rights may help some vulnerable homeowners by limiting the change; but it actively suppresses generational wealth building by limiting the utility of being a property owner, harming others; and (d) **Legal Concerns**: For this amendment especially, the City’s Legal team cautions that inclusion of the 7F exclusion would place the entire zoning amendment in legal jeopardy, and expose the City to numerous challenges from property owners within the 7F areas. **A New Path:** Instead of adopting this ordinance with Appendix 7F, staff seeks to work with the Planning and Zoning Commission and the community on alternatives to Appendix 7F that can be used as a stopgap or interim tool in advance of the planned UDO Update. Staff’s suggested motion is to recommend approval of the proposed text amendment to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendment is reasonable, in the public interest, consistent with the City's comprehensive plan and meet the development needs of the community in that the amendment will encourage responsible growth by: (1) standardizing and clarifying the process for all residential property owners to create backyard ADUs through by-right adaptive reuse; (2) using existing building inventory for infill development and aging in place; and (3) improving government efficiency.

Mr. Starr-Baum responded to Councilwoman Ullman regarding the clarification of parking.

In response to Vice-Mayor Mosley, Ms. Dahl said that Air B&B’s are part of a larger concern. We have clear regulations and enforcement.

In response to Councilman Hess, City Attorney Branham said that the City does not allow any new short-term whole home rentals. We do have Code Enforcement staff.

Mayor Manheimer opened the public hearing at 11:59 a.m.

Two individuals spoke in support of the amendment, without the inclusion of Appendix 7-F.

Mayor Manheimer closed the public hearing at 12:03.p.m.

Mayor Manheimer said that members of Council have previously received a copy of the ordinance and it would not be read.

Councilwoman Smith moved to recommend approval the proposed text amendment to Chapter 7 of the Asheville Code of Ordinances and find that the proposed amendment is reasonable, in the public interest, consistent with the City's comprehensive plan and meet the development needs of the community in that the amendment will encourage responsible growth by 1) standardizing and clarifying the process for all residential property owners to create backyard ADUs through by-right adaptive reuse 2) using existing building inventory for infill development and aging in place and 3) improving government efficiency. This motion was seconded by Vice-Mayor Mosley and carried unanimously.

ORDINANCE BOOK NO. 35 – PAGE 377

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS:

A. RESOLUTION NO. 26-21 - RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ALL CONTRACTS, GRANTS, AND LOAN AGREEMENTS, AND AFTER APPROVAL BY THE CITY ATTORNEY, WITH THE DESIGNATED AGENCIES FOR THE 2025-36 HOME INVESTMENT PARTNERSHIP PROGRAM

Community Development Analyst Kaylee Pulliam said that this is the consideration of a resolution authorizing the City Manager to execute all contracts, grants, and loan agreements, after approval by the City Attorney, with the designated agencies for the 2025-2026 HOME Investment Partnership program authorizing the City Manager to execute a contract with the selected HOME Subrecipients.

Background:

- The City of Asheville is the participating jurisdiction with the US Department of Housing and Urban Development and receives formula funding through the HOME Investment Partnerships Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- HOME funds support affordable housing activities within the four-county Consortium region, including Buncombe, Madison, Transylvania, and Henderson Counties.
- The City of Asheville was awarded $1,051,896.84 in HOME funding for the Fiscal year 2025-2026 from the Department of Housing and Urban Development. Additionally, non-committed program income of $193,490 and rescinded project funding of $200,000 brought the total available HOME funds to $1,445,386 during this funding round.
- On June 11, 2025, the Asheville Regional Housing Consortium (ARHC) allocated the 2025 HOME award funds to three key areas: Tenant-Based Rental Assistance, Homeowner Rehabilitation, and Down Payment Assistance.
- City Council approved these funding amounts via the 2025-2026 Annual Action Plan as part of the 2025-2029 Consolidated Plan
- The City of Asheville opened the HOME Application on November 10th, 2025, and closed the applications on December 10th, 2025.

- Community Development staff reviewed and summarized all of the submitted applications.
- A subcommittee of the ARHC made initial recommendations and the full membership of the ARHC voted in support of the following funding recommendations:
    - Henderson County Habitat for Humanity (Down-Payment Assistance): $200,000
    - Housing Assistance Corporation (Homeowner Rehabilitation): $204,000
    - Community Housing Coalition of Madison County (Homeowner Rehabilitation): $200,000
    - Helpmate Inc. (Tenant-based rental assistance): $170,000
    - Asheville Housing Authority (Tenant-based rental assistance): $75,000
    - ARC of Buncombe County (Tenant-based rental assistance): $55,000
- The recommended awards total $904,000, with an additional $436,197 remaining for future award allocations and $105,189 for administrative costs.
- The funding recommendations were presented and approved by the HOME Consortium on January 14th, 2026.
- City Council, as the governing body of the participating jurisdiction for the HOME Consortium, must authorize the City Manager to execute agreements to award the funding.

Council Goal(s):
- Quality Affordable Housing

Committee(s):
- Asheville City Council - June 11, 2025 - Voted to approve program allocations
- Asheville Regional Housing Consortium Funding Committee- January 7, 2026.
- Asheville Regional Housing Consortium Board - January 14, 2026 - Consortium members approve funding award recommendations

Pro(s)
- Approval of the resolution paves the way for HUD funding to be utilized by partners in the City of Asheville and the region, to provide rental assistance, down payment assistance, and homeowner rehabilitation to our community members that are in need.

Con(s)
- None identified.

Fiscal Impact:
- The proposed projects are fully funded from the federal HOME entitlement grants, unspent funds from prior-year allocations, and estimated program income.
- Staff costs to administer the program are paid from federal sources.

Ms. Pulliam said that the following are the key takeaways from their presentation: (1) The City of Asheville receives an annual allocation of HOME Investment Partnerships Program (HOME) funding from the U.S. Department of Housing and Urban Development (HUD) as the designated Participating Jurisdiction (PJ) for the Asheville Regional Housing Consortium (ARHC); (2) HOME funds are invested across the consortium area, which comprises Buncombe County, Henderson County, Transylvania County, and Madison County; (3) In June 2025, the ARHC recommended and City Council approved the funding strategy for the 2025 HOME grant; (4) The City undertook an application process to select subrecipient partners to activate this funding on the consortium's behalf; and (5) Staff are requesting approval and authorization to enter into funding agreements with the consortium's recommended subrecipient partners.

She then reviewed the FY 2025-26 HOME funding recommendations, stating that in June 2025, the ARHC and City Council approved the following program funding allocations for the 2025-26 HOME grant:

Program	Funding Allocation
Tenant-Based Rental Assistance	$300,000
Down Payment Assistance	$400,000
Homeowner Rehabilitation (Repair)	$587,602

She said the City undertook an application process to select subrecipient partners to activate this funding on the consortium's behalf from November 10, 2025, to December 10, 2025. The ARHC Funding Committee convened on January 7, 2026 and made the following award recommendations which were approved unanimously by the Asheville Regional Housing Consortium on January 14, 2026.

For Tenant based rental assistance - $300,000 available:

Organization	Requested Amount	Recommended Award
Helpmate Inc.	$170,000	$170,000
Housing Authority of the City of Asheville	$75,000	$75,000
ARC of Buncombe County	$50,000	$55,000
Total		**$300,000**
Available for Future Awards		**$0**

For Down payment assistance - $400,000 available:

Organization	Requested Amount	Recommended Award
Henderson County Habitat for Humanity	$200,000	$200,000
Total		**$200,000**

Available for Future Awards	**$200,000**

For Homeowner rehabilitation - $587,602 available:

Organization	**Requested Amount**	**Recommended Award**
Community Housing Coalition of Madison County	$197,250	$200,000
The Housing Assistance Corporation	$204,000	$204,000
Total		**$404,000**
Available for Future Awards		**$183,602**

In summary: **Tenant Based Rental Assistance -** Helpmate - $170,000; Asheville Housing Housing Authority - $75,000; and ARC of Buncombe County - $55,000. **Down Payment Assistance -** Henderson County Habitat for Humanity - $200,000. **Homeowner Rehabilitation -** Community Housing Coalition of Madison County - $200,000; and Housing Assistance Corporation - $204,000. He then went through the 2025-26 unallocated funds.

Upon inquiry of Councilman Hess, Ms. Pulliam explained what Helpmate will use this money for.

When Mayor Manheimer asked for public comments, none were received.

Mayor Manheimer said that members of Council have been previously furnished with a copy of the resolution and it would not be read.

Vice-Mayor Mosley moved to authorize the City Manager to execute all contracts, grants, and loan agreements, after approval by the City Attorney, with the designated agencies for the 2025-2026 HOME Investment Partnership program. This motion was seconded by Councilwoman Ullman and carried unanimously.

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VII. INFORMAL DISCUSSION AND PUBLIC COMMENT:

Several individuals spoke to City Council about various matters, some being, but are not limited to: postpone the AVL 5x5 Plan as it's a cookie cutter template; concern about human rights violations; and support for small business community support.

VIII. ADJOURNMENT:

Mayor Manheimer adjourned the meeting at 12:21 p.m.

CITY CLERK	MAYOR