THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting Date: March 10, 2026

Subject: Budget Amendment for Office of State Budget and Management (OSBM) - Helene Local Government Capital Grant Program

Staff Resources: Bridget Herring, Recovery Coordinator and Jaime Matthews, Assistant to the City Manager

Action Requested: Adoption of a budget amendment in the General Capital Projects Fund in the amount of $2,487,500 from the Office of State Budget and Management (OSBM) - Helene Local Government Capital Grant Program for the Azalea Park Recovery Project

Background:

- The Office of State Budget and Management is administering the Helene Local Government Capital Grant Program, authorized through multiple legislative acts including the Disaster Recovery Act of 2025 to directly address impacts experienced during Hurricane Helene and other natural disasters.
- The program funds capital projects to repair, renovate, or replace damaged infrastructure that is ineligible or denied for FEMA Public Assistance.
- Grant prioritization favors communities with populations under 300,000 and projects ineligible under FEMA PA Categories C–G, verified in coordination with NC Emergency Management.
- Nearly $50 million in funding is available, with OSBM awarding grants according to statutory caps of 20% per county and 5% per eligible recipient or qualifying zip code.
- Grant funds must be spent by June 30, 2030, are disbursed as a lump sum up front, and recipients must report project expenses to OSBM.
- The City was awarded $2,487,500 through this grant program to support the relocation of assets that were not directly damaged by Tropical Storm Helene but will need to be moved and reconstructed outside of the FEMA Public Assistance program.

Council Goal(s):

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

Committee(s):

Pro(s):

- Provides 100% 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.
- Funds are disbursed upfront once the grant contract is executed, helping with project cash flow.

Con(s):

- All grant funds must be spent by June 30, 2030, which may limit long-term or phased projects.
- Statutory caps may limit funding: Maximums per county, recipient, and zip code could restrict funding for larger projects.

Fiscal Impact:

- Funding will be disbursed in a lump sum once the grant contract is approved. The grantee will need to report expenses for the grant project to OSBM, but the funds are disbursed up front.
- Matching funds are not required for this grant

Suggested Motion:

- Motion to adopt a budget amendment in the General Capital Projects Fund in the amount of $2,487,500 from the Office of State Budget and Management (OSBM) - Helene Local Government Capital Grant Program for the Azalea Park Recovery Project

Attachment(s):

- Budget Ordinance

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That Section 2 of the City of Asheville Annual Operating Budget Ordinance be amended to provide an appropriation of $2,487,500 to accept a State grant from the Office of State Budget and Management (OSBM) - Helene Local Government Capital Grant Program for the Azalea Park Recovery Project as follows:

SPECIAL REVENUE FUND

Revenues:

State Grants	$2,487,500

Expenditures:

Azalea Park Recovery Project	$2,487,500

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 10th day of March, 2026.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney