Community Development Block Grant (CDBG) Program Update & 2026-2027 Funding Recommendations

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Key Takeaways

- Each year, the US Department of Housing and Urban Development provides the City of Asheville with about $1,000,000 in CDBG funds to support community improvements, housing, economic development, and public services.
- The CD Division conducted an application process to award approximately $800,000 for the coming 2026-2027 program year
- Staff have reviewed the applications and are asking for this committee's feedback and input on the recommended awards
- We will return to this committee on April 7th with a request for final recommendation of awards for City Council approval

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Upcoming HOME Funding Opportunities

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Program Update

Upcoming Opportunities

- HOME-ARP Rental Construction Application
  - $3M for construction of multifamily projects that target homelessness, those at risk of homelessness, and domestic violence survivors
  - Applications open 3/16 until 5/15
  - Mandatory virtual developer conference on 3/25

- HOME-ARP Supportive Services Application
  - $1,000,000 for mental health and substance abuse services, as well as rent support
  - Application forthcoming this summer (dates TBD)

- HOME Rental Construction Applications
  - Anticipating noticing about $1.3M for affordable rental construction
  - Applications will open in November, with contingent awards made in January-February to align with tax credit cycle

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Community Development Block Grant
CDBG

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Anticipated 2026-2027 CDBG Funding

Grant Year	Grant Amount
2026	*$971,365**
2025	$972,202
2024	$1,003,034
2023	$1,034,817
2022	$1,028,896
2021	$1,053,291
2020	$1,046,871

*Figure represents a forecast based on trends from the past 6 years.

Key fact: 70% of awarded funding must go to projects that benefit low-to-moderate income (LMI) residents and we have typically done 100% toward LMI benefit

Anticipated CDBG Grant

Category	Amount	
Total Grant Anticipated	**$971,365**	**Total Anticipated Available to Award**
Administration (20%)	$194,273	
Public Service Cap (15%)*	$145,705	**$777,092**
Remaining Grant (65%)	$631,387	

*Public service activities are capped at 15% of total grant amount, though we are not *required* to undertake public service activities

CDBG Funding Strategy

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FY 26-27 Strategy

In November 2025, CD staff consulted with the HCD committee and established the following strategies for this year's funding cycle

1. Encourage internal City departments to apply for funding
    - Provides opportunity to imagine new ideas and fill existing funding gaps
    - Direct investments for LMI neighborhoods and residents
    - Build upon city-wide expertise in federal grant administration
    - Potential to develop a year-to-year pipeline of capital projects

2. Establish Award Minimums
    - Reduces the overall number of awards made to increase impact of investments
    - Increases staff capacity to effectively administer grant agreements and disaster recovery initiatives
        - Public Services: $40,000
        - Non-Public Services: $100,000

Funding Cycle and Timeline

Application and Project Selection

- December 17, 2025 - February 3, 2026: CDBG applications received
- February - March: Review of applications and development of recommendations based on applicant pool, anticipated staff capacity, and overall program strategy
- March 17: HCD Committee reviews and provides input on applications
- April 7: HCD Committee finalizes funding recommendations to City Council

Annual Action Plan

- April 27th - June 5th: Public Comment Period on Annual Action Plan funding recommendations
    - May 26th: Public Hearing at Asheville City Council
- June 9th: City Council votes to approve Annual Action Plan
- June 10th: Annual Action Plan submitted to HUD

CDBG Application Scoring Criteria

Section	Available Points
A. Program Description	47
B. Community Need	9
C. Population Served	17
D. Budget and Leveraged Resources	18
E. Priority Groups	9
Total Points Available	**100**

Applications Received

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Applications Received

Public Service Activities

Applicant	Description	Amount Requested	Average Score
Helpmate	Emergency shelter case management operations and staffing support	$ 60,000	95.5
OnTrack WNC	Housing & Financial Capabilities Program	$ 50,000	94.5
Safe Shelter	Emergency shelter operations and crisis stabilization services	$ 66,715	94.0
Pisgah Legal Services	Legal assistance to prevent and reduce homelessness	$ 60,000	90.5
Homeward Bound	Case management services for HACA residents for housing stability and homelessness prevention	$ 124,197	89.5
Haywood Street Congregation	Case management for medical respite individuals experiencing homelessness	$ 51,500	89.5
Heart House Comprehensive Recovery Community	Case management for people experiencing homelessness seeking recovery	$ 75,000	77.0
Black Wall Street AVL	Case management for disaster recovery navigation and education	$ 45,000	67.5
Total Requested Amount		**$ 532,412**	

Applications Received

Housing Services Activities

Applicant	Description	Amount Requested	Average Score
Helpmate	Helpmate will provide housing-focused case management services to support HOME TBRA.	$ 100,038	98.5
City of Asheville Water Resources Department	Lead service line replacements for low to moderate income customers.	$ 800,000	96.0
Asheville Area Habitat for Humanity	AAHH will complete home repair projects for 29 City of Asheville homeowner households.	$ 725,000	92.0
Safe Shelter	Funding will support payroll for key housing services staff.	$ 246,165	86.5
Homeward Bound	This project will provide housing-focused supportive services to 20 low-to-moderate income households.	$ 154,725	81.5
Henderson County & Thermal Belt Habitat for Humanity	Funds would support infrastructure for 4 affordable homes in the Dodd Meadows neighborhood.	$ 100,000	0
Total Requested Amount		**$ 1,971,203**	

Applications Received

Microenterprise Assistance Activities

Applicant	Description	Amount Requested	Average Score
Mountain BizCapital Inc.	Microenterprise Business Coaching	$ 155,400	95.0
Carolina Small Business Development Fund	Microenterprise Business Coaching	$ 150,000	85.5
Institute Capital	Microloan Program	$ 1,200,000	78.0
Total Requested Amount		**$ 1,505,400**	

Applications Received

Public Facilities and Improvements Activities

Applicant	Description	Amount Requested	Average Score
Haywood Street Congregation	Post-hospitalization housing for homeless persons	$ 298,455	92.0
Heart House Comprehensive Recovery Community	To acquire a property to open a free supportive transitional living home	$ 127,000	57.0
Total Requested Amount		**$ 425,455**	

Full Application Picture (highest scores)

Application Type	Agency	Average Score	Amount Requested
Housing Services	Helpmate	98.5	$100,038
Housing Services	City of Asheville Water Resources Department	96.0	$800,000
Public Services	Helpmate	95.5	$60,000
Microenterprise	Mountain BizCapital Inc.	95.0	$155,400
Public Services	OnTrack WNC	94.5	$50,000
Public Services	Safe Shelter	94.0	$66,715
Housing Services	Asheville Area Habitat for Humanity	92.0	$725,000
Public Facilities	Haywood Street Congregation	92.0	$298,455
Public Services	Pisgah Legal Services	90.5	$60,000
Public Services	Homeward Bound	89.5	$124,197
Public Services	Haywood Street Congregation	89.5	$51,500

Staff Recommendations
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Four Options for Funding Strategies

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Potential Funding Strategies

Option A			
Asheville Water Resources Department	Housing Services	Lead service line replacements for low to moderate income customers.	$ 677,054
Helpmate	Housing Services	Helpmate will provide housing-focused case management services to support HOME TBRA.	$ 100,038

Pros	Cons
• Honors highest scoring applications • Meets critical city responsibility to replace service lines that have or may have lead (unfunded mandate)	• Only 1 external award (though new funding strategies were intended to reduce overall number of awards)

Potential Funding Strategies

Option B			
Asheville Water Resources Department	Housing Services	Lead service line replacements for low to moderate income customers.	$ 521,654
Mountain BizCapital Inc.	Microenterprise Assistance	Microenterprise Business Coaching	$ 155,400
Helpmate	Housing Services	Helpmate will provide housing-focused case management services to support HOME TBRA.	$ 100,038

Pros	Cons
• Continues support for wider array of activities • Honors highest scoring applications • Meets critical city responsibility to replace service lines that have or may have lead (unfunded mandate)	• Every additional subrecipient increases administrative burden • Additional subrecipient awards reduces funding available for City projects

Potential Funding Strategies

Option C			
Asheville Water Resources Department	Housing Services	Lead service line replacements for low to moderate income customers.	$ 521,654
Mountain BizCapital Inc.	Microenterprise Assistance	Microenterprise Business Coaching	$ 155,400
Helpmate	Housing Services	Helpmate will provide housing-focused case management services to support HOME TBRA.	$ 100,038
Helpmate	Public Services	Emergency shelter case management operations and staffing support	$ 60,000
OnTrack WNC	Public Services	Housing & Financial Capabilities Program	$ 50,000

Pros	Cons
• Continues support for wider array of activities • Honors highest scoring applications • Meets critical city responsibility to replace service lines that have or may have lead (unfunded mandate)	• Every additional subrecipient increases administrative burden • Additional subrecipient awards reduces funding available for City projects

Potential Funding Strategies

Option D			
Asheville Water Resources Department	Housing Services	Lead service line replacements for low to moderate income customers.	$ 261,692
Asheville Area Habitat for Humanity	Housing Services	Home repair	$ 250,000
Mountain BizCapital Inc.	Microenterprise Assistance	Microenterprise Business Coaching	$ 155,400
Helpmate	Public Services	Emergency shelter case management operations and staffing support	$ 60,000
OnTrack WNC	Public Services	Housing & Financial Capabilities Program	$ 50,000

Pros	Cons
• Continues support for wider array of activities • Honors highest scoring applications • Meets critical city responsibility to replace service lines that have or may have lead (unfunded mandate) • Helps meet deep need for home repairs	• Every additional subrecipient increases administrative burden • Additional subrecipient awards reduces funding available for City projects

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We appreciate your feedback and questions

Thank you

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