Community Development Block Grant - Disaster Recovery (CDBG-DR) Single Family Housing Updates

May 7th, 2026

City Council Agenda Briefing

Elma King, CDBG-DR Program Manager

Nikki Reid, Director, Community & Economic Development Department

THE CITY OF ASHEVILLE



Agenda

- Overview of CDBG-DR Programs and Allocations to date
- CDBG-DR Single Family Program Considerations
- Timeline and Process for Substantial Amendment to Reallocate Funds to the Single Family Program
- Timeline and Process for the Affordable Housing Bond allocation and policy adoption for Home Repair

CDBG-DR Program Overview

Program Area	Program Initiatives
Housing	• **State of North Carolina Reconstruction and Rehabilitation (R&R) Program** • **Affordable Multi-Family Housing Construction Program**
Infrastructure	• **French Broad River and Azalea Parks Recovery** • **North Fork Reservoir Resilience** • Resilience Hubs
Economic Revitalization	• **Small Business Support Program** • Revitalization of Flooded Commercial Districts • Workforce Development Program
Public Services	• Housing and Economic Security Support Services Program
Planning	• **Comprehensive Plan & Development Regulations Update** • Economic Development Strategic Plan • Deaverview Master Plan • Emergency Shelter Development Plan
Administration	• **5% of total award for costs associated with developing, managing and overseeing grant compliance, program development and implementation**

CDBG-DR Current Program Status

Program Area	Current Program Allocation	Amount Committed	Amount in Consideration	% Total Remaining
Housing	$31,000,000	$3,563,635	$27,436,365	0%
Infrastructure	$125,000,000	$125,000,000	$0	0%
Economic Revitalization	$52,000,000	$17,304,300	$0	67%
Public Services	$2,000,000	$294,000	$0	85%
Planning	$3,759,500	$3,093,950	$0	18%
Administration	$11,250,500	$6,427,492	$0	43%
TOTAL	**$225,010,000**	**$155,683,377**	**$27,436,365**	**19%**

CDBG-DR Single Family Rehabilitation & Reconstruction Considerations

THE CITY OF ASHEVILLE

Renew NC

The Renew NC Single Family Housing Program is a centralized housing rehabilitation, reconstruction or replacement program that will prioritize **low-to-moderate income** families with seniors aged 62 and older, children, and/or disabled household members who were impacted by Hurricane Helene.

- Includes single-family and manufactured homes
- Must be primary residence
- Eligible homeowners who are awarded the grant are expected to remain in the house for 3 years (3-year unsecured, forgivable promissory note).

Prioritization:

Application priority is assigned based on income (below 60%, 60-80%, and under 120% of area median income) and at least one of the following:

- Households with seniors age 62 and older.
- Households with children under the age of 18.
- Households with individuals with disabilities.

Policy Updates & Program Status

- Renew NC Policy Updates:
  - To meet rising construction costs, the maximum reconstruction award per property is now $450,000, with a rehabilitation threshold of $100,000.
  - Temporary Relocation Assistance (TRA) is potentially available to support families while their homes are being rebuilt.
- Application Status: Renew NC received 285 applications for homes in Asheville, but only 124 households have been deemed eligible for the program. Of the 124 eligible households, 87 have been deemed as Phase 1/Priority 1.
  - Given that eligible applications are still being evaluated, these amounts remain subject to change.
- The current $3 million allocation can likely serve 8-10 households.
  - Seven projects are currently authorized under the initial funding allocation.
  - One project was completed in April and a second is in active construction.

CDBG-DR & HUD Regulatory Framework for Repairs

- HUD regulations require the removal of all deficiencies that make a building substandard under local definitions. Renew NC must address the entire condition of the home (not just storm damage), and that costs more.
- In order to comply with these regulations, Renew NC must bring the entire home up to "Decent, Safe, and Sanitary" (DSS) conditions, addressing both storm damage and pre-existing necessary repairs.
- Renew NC requires reconstruction (up to $450,000 per unit) if repair costs exceed $100,000 (including storm damage, code issues, lead abatement, and other livability factors).
    - This covers all costs for “associated with construction, elevation, reasonable accommodations, environmental, mitigation/abatement, historic preservation, site specific costs, essential appliances, and code compliance/permitting.”
    - Mitigation is a key component of the program, like repairing and replacing road and bridge access, slope stabilization and landslide prevention, and elevation.

April 2026 Housing Recovery Board Feedback

- **Multi-Family:** Maximizes investment per household served and long-term affordability (35+ year deed restrictions) through gap financing and tax credit layering.
- **Single-Family:** Preserves generational wealth, prevents the displacement of residents in existing neighborhoods, supports residents directly impacted by the disaster.
- **Outsized Response to the City's Multi-Family NOFO:** High volume of applications received for the Notice of Funding Opportunity (NOFO) demonstrates that developers are ready to build, but it also highlights that the demand for city subsidy far exceeds the current budget.
- **Immediate Need:** Single Family repairs address the urgency of residents currently in temporary or unstable housing that experienced damage from the storm.
- Acknowledged the tensions and need to **rebalance the portfolio** to ensure meaningful impact across both housing types.

THE CITY OF ASHEVILLE

Proposed Re-allocation to Single Family

- The final cost of serving all Asheville applicants to Renew NC is yet unknown, but estimated to be between $30-$40 million.
- Staff propose pursuing a Substantial Amendment to the CDBG-DR Action Plan to reallocate $19.2 million to the Renew NC Program – comprised of $9.2 million from the Affordable Multi-Family Housing Construction Program, and $10 million from the CDBG-DR Infrastructure Program.
    - The City identified $10M in estimated design costs for the North Fork Project as funds likely be reimbursed first through HMGP, and therefore believe this funding amount can be reallocated to Single Family Home Repair.
- The Single-Family Home Repair & Reconstruction Program would be allocated $22.2 million which the State estimates will serve 55-65 Asheville households.
- The next steps for a reallocation is at the end of this presentation.

THE CITY OF ASHEVILLE

Knowns & Unknowns

Knowns:

- City residents eligible within the Renew NC program are among our most vulnerable and at greatest risk of displacement from Helene.
- Investment in this program provides impacted residents with the ability to build wealth and equity within their home.
- Data since December has confirmed that the cost and demand for single-family repair require a more robust commitment to meet our community's recovery goals.
- Transferring additional funding now will ensure verified-eligible program participants get in their homes before the full cost of the program is confirmed.

Unknowns:

- The full cost for city residents in Renew NC won’t be known until late 2026.
- Staff has identified alternative funding at the lowest risk but does not know if HMGP funding will be approved, to any degree, for City infrastructure applications and that is not likely to change within 2026.
- Additional CDBG-DR programs, outside of infrastructure, may need to be re-evaluated to support single family home repair.

Substantial Action Plan Amendment Process

Proposed Reallocation Across CDBG-DR Categories

CDBG-DR Program Area	Original Allocation	Proposed Allocation
Housing	$31,000,000	$41,000,000
Infrastructure	$125,000,000	$115,000,000
Economic Revitalization	$52,000,000	$52,000,000
Public Services	$2,000,000	$2,000,000
Planning	$3,759,500	$3,759,500
Administration	$11,250,500	$11,250,500
TOTAL	**$225,010,000**	**$225,010,000**

THE CITY OF ASHEVILLE

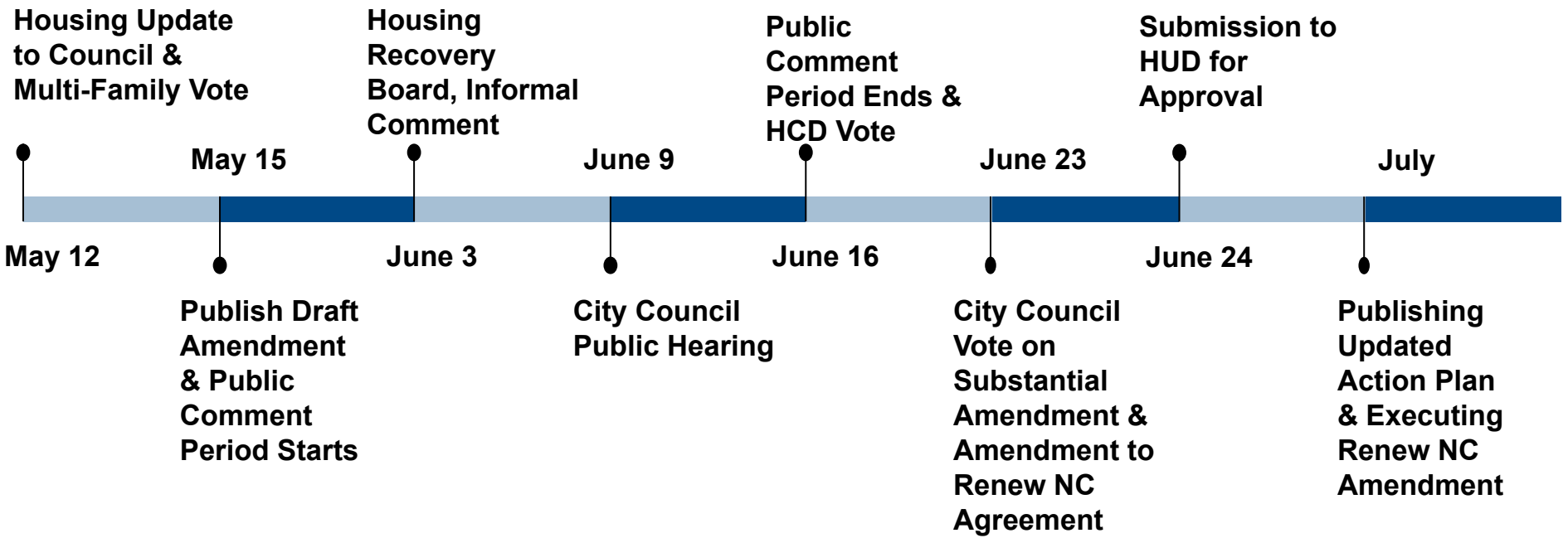
Proposed Reallocation in CDBG-DR Housing Portfolio

CDBG-DR Program	Original Allocation	Suggested Revision
NOFO: Affordable Multi-Family Housing Construction Program	$28,000,000	$18,800,000*
State of North Carolina Reconstruction and Rehabilitation (R&R) Program	$3,000,000	$22,200,000
TOTAL	**$31,000,000**	**$41,000,000**

*Includes $910k in project delivery costs (underwriting, loan closings, etc.)

THE CITY OF ASHEVILLE

Substantial Action Plan Amendment Timeline



Affordable Housing Bond Process - Single Family Home Repair

Affordable Housing Bond Funds - 2024

Available City Resources

Source	Amount
Remaining Bond Funds	$10,000,000
Rescission to HTF	$1,052,000

Proposed Uses

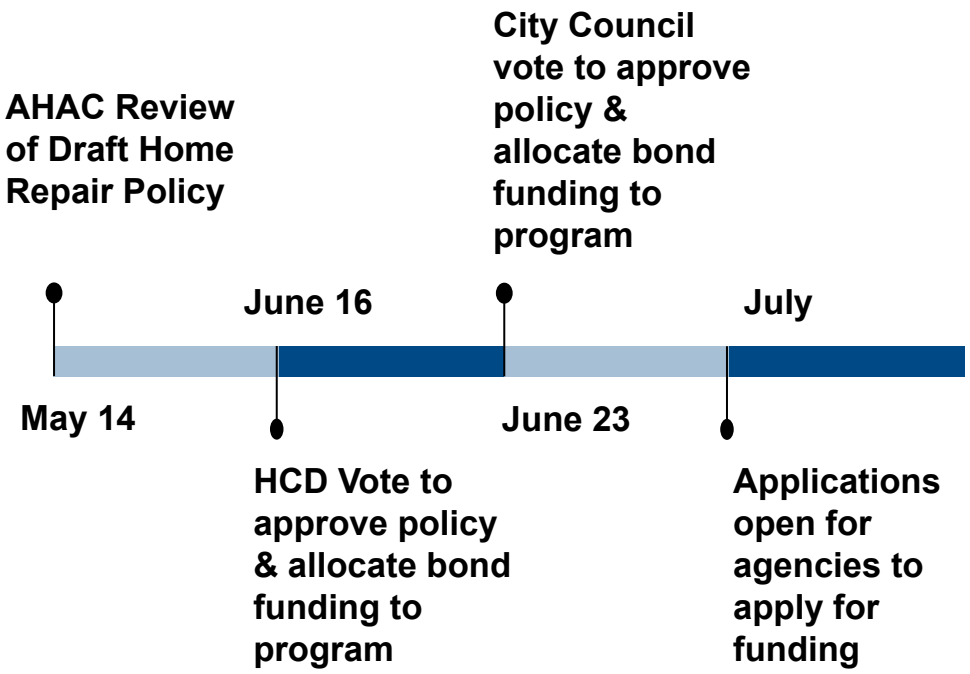
Use	Amount
City affordable housing projects (319 Biltmore, Oak Hill)	$3,000,000
Housing Trust Fund Allocation (for DPA, homeownership projects, land acquisition, in other words – all HTF eligible activities except Multifamily-Rental Construction)	$5,052,000
Home Repair	3,000,000

THE CITY OF ASHEVILLE

2024 Affordable Housing Bonds - Single Family Home Repair

- **2016 City Bond Funds Allocated to Serve Single-Family Home Repair Needs:** In Oct. 2024, City Council allocated $1.4 million to Helene home repair.
    - **ARCHR (Asheville Regional Coalition for Home Repair):** With these funds, served 60 Asheville households with repairs.

- **Next Steps**: 2024 Bonds to be dedicated to home repair in Asheville.



THE CITY OF ASHEVILLE

Comprehensive approach - Breadth and Depth

- Tropical Storm Helene has exacerbated the vulnerabilities of Asheville's aging housing stock.
    - According to the recent Bowen Report (Housing Needs Assessment) 57% of homes occupied by homeowners in Asheville City limits were built before 1970.
- The State's Renew NC program provides the opportunity to address a complete house rebuild, bringing the house up to code.
- Through 2024 Affordable Housing Bond dollars, additional funding can support entities like the ARCHR group to perform necessary repairs to make homes safe and habitable.
- Given the volume of need, both pathways are needed.

Key Takeaways

- Home repair demand and costs exceed expectations; total need estimated at $30–$40M.
- Proposed CDBG-DR amendment reallocates $19.2M to Renew NC, bringing the program total to $22.2M (Council to vote June 23).
- 2024 Affordable Housing Bonds will provide additional home repair funding via ARCHER to address unmet needs.
- A home repair policy and bond allocation will also come before Council on June 23.
- Strategy combines multifamily development (for displaced renters) with homeowner repair programs (Renew NC + ARCHER) to stabilize residents, preserve generational wealth, and prevent further displacement.

THE CITY OF ASHEVILLE