Housing and Community Development Meeting Date: April 7, 2026

Subject: 2026-2027 CDBG & HOME Annual Action Plan

Staff Resource(s): James Shelton, Community & Economic Development Department

Action Requested: Recommend City Council approve the FY 2026-2027 CDBG funding allocations as presented; recommend City Council approve the 2026-2027 Annual Action Plan and such funding allocations for submission to HUD; and recommend City Council to authorize the City Manager to sign all necessary documents to this effect.

Background:

- The City of Asheville annually receives federal funding from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME)
- As an entitlement community and participating jurisdiction, these funds are crucial for addressing our city's housing and community development needs.
- The CD Division conducted an application process to award CDBG funding for the coming 2026-2027 program year for about $1,000,000 to support community improvements, housing, economic development, and public services.
- Staff reviewed the applications and heard feedback from HCD on March 17th on how best to strategically award the available funding
- Staff have used that feedback to develop a final award recommendation and are asking HCD to react and make a final recommendation for Council approval (See Exhibit A)
- Staff are also requesting HCD recommend that City Council approve the 2026-2027 Annual Action Plan and such funding allocations for submission to HUD, which is inclusive of the HOME program's funding allocation for Affordable Rental Construction
- The Asheville Regional Housing Consortium has recommended that the entirety of the anticipated 2026-2027 HOME grant be utilized for Affordable Rental Construction

Council Goal(s):

- Housing
- Infrastructure and Environment
- People

Pro(s)

- Approval of the 2026-2027 CDBG funding allocations and the Annual Action Plan paves the way for HUD funding to be utilized by partners in the City of Asheville and the region. The funds will be used to create affordable housing and to make positive impacts in our low-to-moderate-income communities.

Con(s)

- None identified

Fiscal Impact:

- The CDBG and HOME entitlement grants are federal funds with no impact to the City's general fund.
- Staff costs to administer the program are paid from federal sources.
- The FY 2026-27 budgets for both the CDBG and HOME programs will be included in the annual budget ordinance adopted by City Council.

Suggested Motion:

- Motion to recommend that City Council approve the FY 2026-2027 CDBG funding allocations as presented; recommend that City Council approve the 2026-2027 Annual Action Plan and such funding allocations for submission to HUD; and recommend authorizing the City Manager to sign all necessary documents to this effect.

EXHIBIT A

ANNUAL ACTION PLAN 2026-2027
SUMMARY OF CDBG

Projected CDBG Revenue:

Estimated CDBG Funding*	
FY 26/27 HUD Allocation	$ 1,046,468.00
Estimated Program Income**	$ 0
Total	**$ 1,046,468.00**
Available to Award	
Public Services Cap - 15%	$ 156,970.20
Planning & Admin Cap - 20%	$ 209,293.60
Available for Non-Public Service Projects	$ 680,204.20
Total	**$ 837,174.40**

Proposed CDBG Funding Allocations:

Applicant	Project	Description	Funded Amount
Asheville Water Resources Department	Home Repair	Replacing lead service lines on the homeowner portion of water connection	$ 500,000.00
Asheville Area Habitat for Humanity***	Home Repair	Repairing and alleviating emergency health, safety, and accessibility issues	$ 237,136.40
Helpmate, Inc.	Housing Services	Administration of Tenant Based Rental Assistance (funded with HOME Program) to domestic violence survivors and those fleeing DV	$ 100,038.00
Total Funded Amount			**$ $837,174.40**

*All amounts will be updated once HUD provides the City with the official award amount.
**Program income has drastically decreased in recent years, with a particular loss of income due to cancellation of ABC Store lease at 179 S Charlotte Street (Urban Renewal parcel). Staff recommend not anticipating program income to prevent overstretching funding. Any program income received in FY26-27 will be used in the next program year's awards.

***Any adjustments to final award amounts (greater or lesser) based upon the HUD grant amount will be made to this project.

ANNUAL ACTION PLAN 2026-2027

SUMMARY OF HOME

HOME Projected Revenue:

Estimated HOME Funding*	
FY 26/27 Allocation	**$ 1,000,858**
Uncommitted Program Income	**$ 0**
Total	**$ 1,000,858**
Available to Award	
Planning & Admin Cap - 10% of FY25/26 Allocation	**$ 100,856**
Available for Projects	**$ 900,772**
Total	**$ 1,000,858**

Proposed HOME Project Funding Allocations:

Project	Description	Funded Amount
Affordable Rental Construction	Acquisition, rehabilitation, new construction, or reconstruction as defined in 24 CFR 92.2	$900,772
Total Funded Amount		**$900,772**

*All amounts will be updated once HUD provides the City with the official award amount.