City of Asheville Staff Report

City Council Meeting Date:

- June 9, 2026

Staff Resources:

- Nikki Reid, Community and Economic Development Department Director
- James Shelton, Community Development Division Manager

Action Requested:

- Approval for submission of the 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development (HUD).

Background:

- The City of Asheville is an entitlement community and participating jurisdiction with the U.S. Department of Housing and Urban Development and receives formula funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).
- The City receives these allocations annually through a federal formula allocation process.
- CDBG funds support housing and community development activities within the City of Asheville. HOME funds support affordable housing activities within the four-county Consortium region including Buncombe, Madison, Transylvania and Henderson counties.
- All funded activities must meet the goals and priorities as outlined in the City's Consolidated Plan 2025-2029.
- In order to remain in compliance with HUD and to outline the CDBG & HOME priority needs and strategic goals, City Council must authorize the submission of the 2026-2027 Annual Action Plan.
- In order to access these funds for community development projects, City Council will need to authorize staff to submit the FY26-27 Annual Action Plan to HUD to provide a concise summary of the projects and activities that will be used to address the priority needs and specific goals identified by the Consolidated Plan.
- Public Comment period opened May 4, 2026 and will remain open until June 5, 2026. A draft FY 2026-2027 Annual Action Plan is available on the City's Community Development website and a Public Notice was announced on May 1, 2026 via the Asheville Citizens Times.
- City Council held a public hearing on May 26, 2026 to obtain citizen comments on the draft plans and the draft plans have been made available to the public.
- All public comments will be brought to the June 9, 2026 Council meeting for approval of FY 2026-2027 Annual Action Plan.

Vendor Outreach:

- N/A

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing

Council Priority Recovery Area(s):

- Housing

Committee(s):

- On March 7, 2026 the Housing & Community Development Committee provided funding recommendations for CDBG funding. The recommendations were: Asheville Water Resource department, Asheville Area Habitat for Humanity, Pisgah Legal Services, and Helpmate.
- On January 14, 2026 the Asheville Regional Housing Consortium Board (ARHC) met to provide HOME funding Recommendations. The funding recommendations were: Tenant Based Rental Assistance for Helpmate, Asheville Housing Authority, ARC of Buncombe County, Down Payment Assistance for Henderson County Habitat for Humanity; and Homeowner Rehabilitation for Community Housing Coalition of Madison County and Housing Assistance Corporation.

Fiscal Impact:

- The awarded FY 2026-27 grant amounts will be included in the FY 2026-27 Budget Ordinance.

Suggested Motion:

- Move to authorize the submission of the 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program (HOME) to the U.S. Department of Housing and Urban Development (HUD).

Attachment(s):

- Resolution with Allocations

City of Asheville Resolution Number 26-_____

Resolution authorizing the submission of the City's Fiscal Year 2026-2027 Annual Action Plan to the U.S. Department of Housing and Urban Development and authorizing the City Manager to sign all documents necessary to implement the Annual Action Plan.

Whereas, the City of Asheville is an Entitlement City for the federal Community Development Block Grant (CDBG) program and is the Lead Entity on behalf of the Asheville Regional Housing Consortium (ARHC) for the federal HOME Investment Partnerships Program (HOME) and;

Whereas, each year the City must submit to the U.S. Department of Housing and Urban Development (HUD) an Annual Action Plan detailing its proposed use of CDBG and HOME funds for the upcoming fiscal year; and

Whereas, $1,046,468.00 of CDBG funding is available for allocation for use in the 2026-2027 program year; and

Whereas, $1,511,335.84 of HOME funding is available for allocation in the 2026-2027 program year; and

Whereas, regulations at 2CFR 200.210, 24CFR 570200(h)(i) and 24 CDF 92;212 allow the City of Asheville the flexibility to pay pre-award costs as stipulated in the federal register and the City has documented this intent to pay pre-award costs in the Annual Action Plan to be submitted to HUD; and

Whereas, a public hearing has been held on May 26, 2026 to obtain citizen comments on the draft plans and the draft plans have been made available to the public;

Now, therefore, be it resolved by the City Council of the City of Asheville that:

1. City Council approves the submission to HUD of the 2026-2027 Annual Action Plan as shown on the attached Exhibit A.
2. City Council authorizes the City Manager to sign all contracts, grants, and loan agreements, after approval by the City Attorney, with HUD and other designated agencies for the 2026-2027 Annual Action Plan.
3. City Council approves the associated grant revenues and expenditures in the 2026-2027 Budget Ordinance.

Read, approved and adopted this 9th day of June, 2026.

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Esther E. Manheimer, Mayor

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Brad Branham, City Attorney

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Magdalen Burleson, City Clerk

Exhibit A

Summary of Annual Action Plan 2026-2027

CDBG Project Revenue

Estimated CDBG Funding	
2025-2026 CDBG Entitlement Grant	$1,046,468.00
Estimated Program Income	$ 0.00
Total CDBG Funds Available	$1,046,468.00

Available to Award	
Public Service Cap - 15%	$ 156,970.20
Planning & Admin Cap - 20%	$ 209,293.60
Available for Non-Public Service Projects	$ 680,204.20
Total CDBG Funds Available	$1,046,468.00

CDBG Public Services Funding Allocations

Applicant	**Description**	**Funded Amount**
Pisgah Legal	Homeless/eviction prevention	$ 60,000
Total Public Services Amount		$ 60,000

CDBG Non-Public Services Funding Allocations

Applicant	Project	Description	Funded Amount
City of Asheville Water 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	$ 177,136.40
Helpmate	Housing Services	Administration of Tenant Based Rental Assistance (funded with HOME Program) to domestic violence survivors and those fleeing DV	$ 100,038.00
Total Non-Public Services Amount			$ 777,201.40

HOME Projected Revenue:

Estimated HOME Funding	
FY 26/27 Allocation	$1,075,138.84
Uncommitted Program Income	$ 50,000.00
25/26 Program Year Resources	$ 436,197.00
Total HOME Funds Available	**$1,561,335.84**
Available to Award	
CHDO Operating Reserve - 5%	$ 53,756.94
Planning & Admin Cap - 10%	$ 107,513.88
Available for Projects (Current + Prior Year Resources)	$1,400,065.02
Total HOME Funds Available	**$1,561,335.84**

HOME Funding Allocations:

Project	Description	Funded Amount
CHDO Operating Reserve	Assistance to Community Housing Development Organizations (CHDOs) for operations	$ 53,756.94
Planning and Administration	City of Asheville HOME Staff salaries and planning costs	$ 107,513.88
Affordable Rental Construction	New Construction of Affordable Rental Housing	$1,400,065.02
Total Funded Amount		**$1,561,335.84**