Community Development Block Grant - Disaster Recovery (CDBG-DR) Infrastructure Implementation

Policy, Finance and Infrastructure Council Committee

February 24, 2026

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Key Takeaways

- Staff Recommends Allocating CDBG-DR Infrastructure Funding to:
  - **French Broad Riverfront Park** & **Azalea Park Project**: Rebuild resilient parks and increase recreation access.
  - **North Fork Reservoir Permanent Pretreatment Project**: Install system to handle high-turbidity events (e.g., Tropical Storm Helene); reserve funding until other sources are exhausted.
- Recommendation based on 4 core principles:
  - Community recovery priorities
  - Increased resilience
  - Prioritize build back better
  - Leverage funding, minimize community cost impact
- Additional recovery projects will be considered once other funding sources are confirmed

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CDBG-DR Infrastructure Program Background

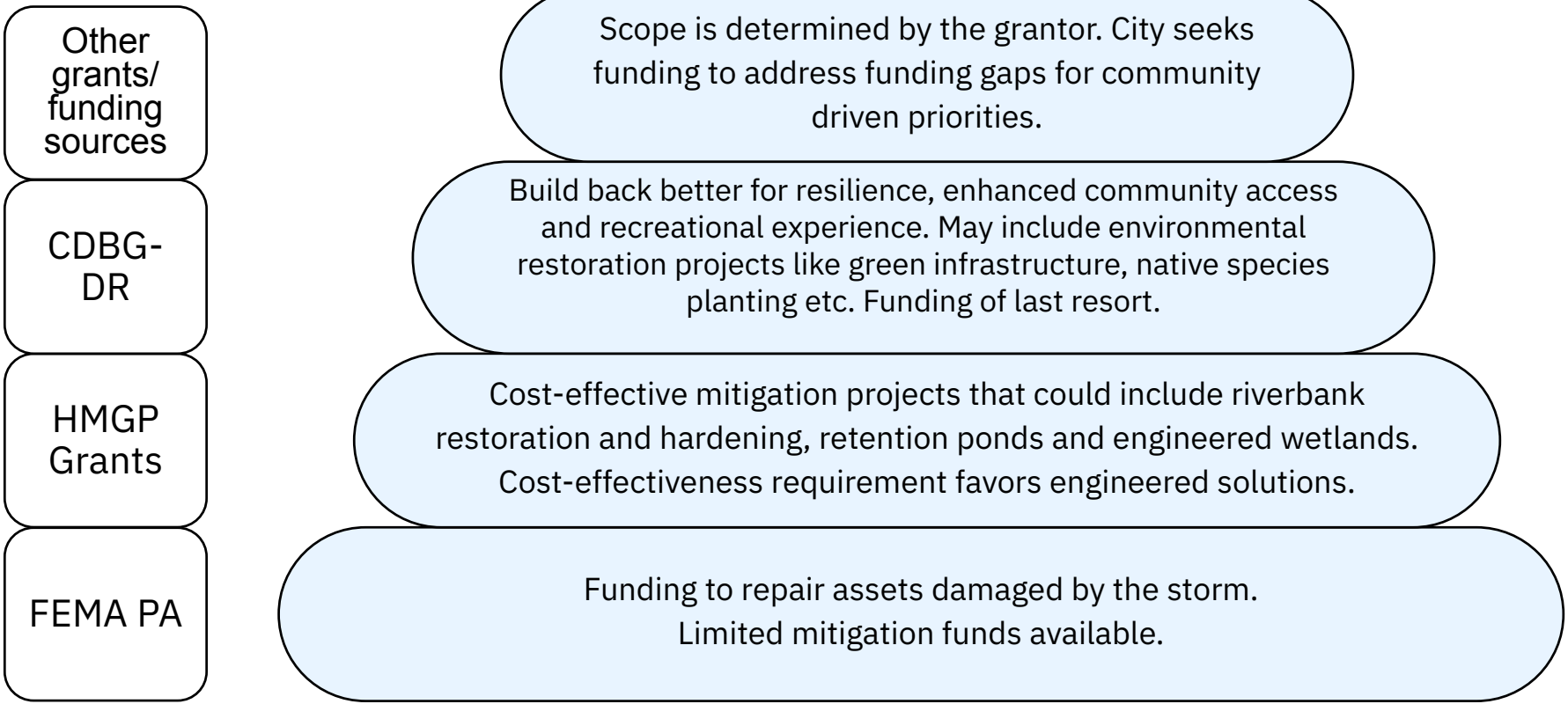
Based on estimated $ of damages post Helene not funded through FEMA PA

Category	Unmet Need	Program Allocation Amount	Percent Allocated of Unmet Need Amount
Housing	$33,443,189	$31,000,000	92.69%
Infrastructure	$911,452,134	$125,000,000	13.71%
Economic Recovery	$241,825,635	$52,000,000	21.50%
Public Services	$0	$2,000,000	N/A
	$1,186,720,958	**$210,000,000**	**17.70%**

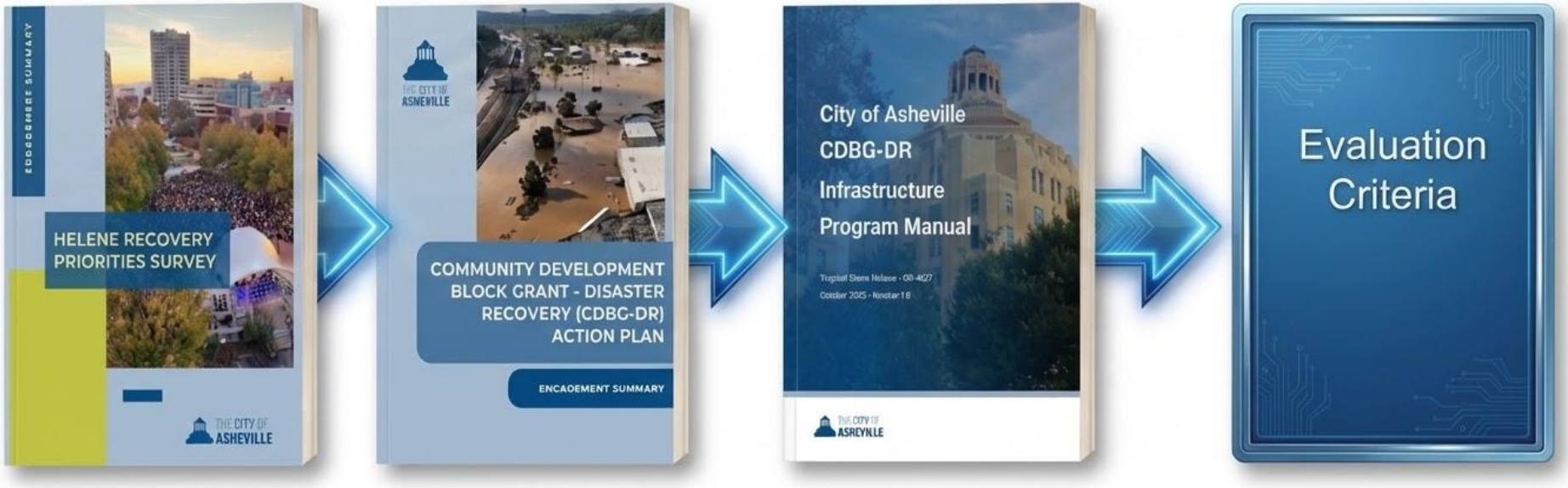
- Per the Council adopted Action Plan, infrastructure allocations prioritize the resilience and long-term recovery of primarily city-owned infrastructure.
- After program administration and compliance costs, $122,277,400 remains available for project implementation.
- CDBG-DR funds must meet a HUD National Objective (such as benefiting low- and moderate-income residents) and are considered funding of last resort, meaning all other federal disaster recovery funding sources must be fully exhausted before these funds may be used.

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Recovery Funding 101



How Did We Get Here?



The Helene Recovery Priorities Survey and the CDBG-DR Action Plan were used to inform the CDBG-DR Infrastructure Program Manual and the Evaluation Criteria.

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Community Recovery Priorities

Helene Priorities Survey Results (Nearly 7,000 Participants)

Infrastructure Repair & Resilience

94% Support rebuilding stronger and more storm-resilient

53% support restoring to pre-storm standards

96% rated infrastructure repair as **"Essential"** or **"Very Important"**

Land Use & Planning



82% Highly value thoughtful land use planning in storm-damaged areas

Sustainability

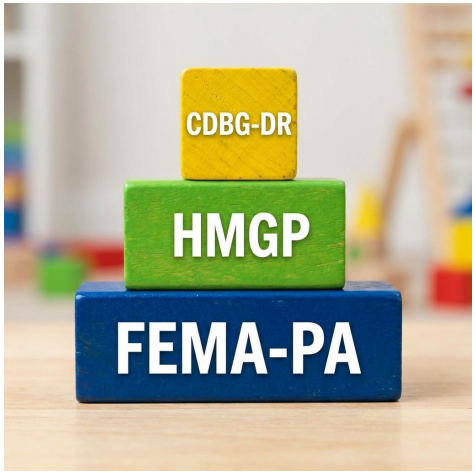


80% rated sustainability and environmental protection as **"Essential"** or **"Very Important"**

French Broad Riverfront Parks Recovery Project

Project Description: Develop and execute a comprehensive plan to rebuild, mitigate, and improve Asheville's French Broad Riverfront Park and improve its ability to withstand and adapt to flooding.	
CDBG-DR Funding Requested: $22.5M	CDBG-DR Recommended Funding: $22.5M

- ✓ Highest during evaluation
- ✓ Leveraging additional resources, including FEMA PA and HMGP
- ✓ Demonstrated benefit to LMI Residents
- ✓ Outcome informed by community engagement
- ✓ Multiple opportunities to include mitigation measures found in the Municipal Climate Action Plan goals
- ✓ Advances community identified priorities of resilient infrastructure, economic recovery, sustainability and investment in recreation



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Azalea Parks & Infrastructure Recovery Project

Project Description: Develop and execute a comprehensive design plan for an interconnected and cohesive public space along the Swannanoa riverfront that is capable of withstanding and adapting to period flooding.	
CDBG-DR Funding Requested: $10.2M	CDBG-DR Recommended Funding: $10M

- ✓ 2nd during evaluation
- ✓ Leveraging additional resources, including FEMA PA, HMGP and PARTF. Secured $2.4M in State Recovery funds
- ✓ Demonstrated benefit to LMI Residents
- ✓ Outcome informed by community engagement
- ✓ Multiple opportunities to include mitigation measures found in the Municipal Climate Action Plan goals
- ✓ Advances community identified priorities of resilient infrastructure, economic recovery, sustainability and investment in recreation



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North Fork Reservoir Pretreatment

Project Description: Installation of a permanent pre-treatment solution at North Fork Reservoir to handle high-turbidity events (sediment spikes) like those experienced during Tropical Storm Helene.	
CDBG-DR Funding Requested: $109M	CDBG-DR Recommended Funding: $89.7M

- ✓ 3rd during evaluation
- ✓ Leveraging resources, secured $5M in state revolving fund and seeking HMGP
- ✓ Demonstrated benefit to LMI Residents
- ✓ Limited opportunities to include mitigation measures
- ✓ Advances the highest communities identified priority of resilient water system improvements as well as housing stability, and economic recovery
- \+ Avoids significant water-revenue bonds, reducing the need for customer rate hikes.
- \+ HMGP funding application submitted; however, approvals are historically take time and there is additional uncertainty due to recent FEMA changes
- \+ CDBG-DR award is contingent on the HMGP funding gap; any remaining CDBG-DR funds resulting from partial or full HMGP funding would be available for future applications



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Recommended CDBG-DR Allocations

French Broad Riverfront Parks Recovery Project	$22,500,000
Azalea Parks & Infrastructure Recovery Project	$10,000,000
North Fork Pre-Treatment	$89,777,440
Subtotal, Allocation Available	**$122,277,440**
Compliance Costs	$2,772,560
Total Allocation	$125,000,000

Infrastructure Recovery Board (IRB) Input: Pros and Cons

Pros	Cons
• Direct link to Impacts from Tropical Storm Helene	• Focusing on one water project may leave other critical water system vulnerabilities
• Aligns with HUD defined criteria including Low-Moderate-Income Benefit	• Timing on other funding sources restricts the limited window to complete all projects
• Preventative measure against future weather impacts	• Utilizing the entire allocation now might ignore other critical vulnerabilities and other recovery projects

"Somewhat uncertain, if not erratic nature of FEMA funding…there is a lot of reason to hold onto this until we get more certainty"
- Michael Holcombe, IRB Member

"Clearly the worst devastation of TS Helene was the temporary destruction of our water system which had a whole ripple of economic, social and physical ramifications"
- David Nutter, IRB Member

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Additional Recovery Project Example: Resilience Hubs

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Resilience Hubs: Current Work

Project Deliverables and Outcomes:

- Recommended policy framework
- Shared language
- Clearer definition of the City's role in the development and maintenance of a connected, community-led Resilience Hub network

Project Components:

- Community Space Upfit Program
- Resilience Hub Mapping Project
- Resilient Power Systems
- EOP/COOP







Resilience Hubs: What do we know?

- A robust **network of resilience hubs** featuring a variety of services to address unique community needs will provide the most nimble, responsive outcome
- A **dual investment strategy can** resource and integrate a **mix of public and community based facilities**
- Long term network and hub sustainability relies on clear roles, responsibilities and shared understanding between community-led and publicly owned hubs
- Public investment in private facilities needs to account for a number of factors including but not limited to:
  - Responsive to community needs and integrated with city operations
  - Careful consideration of complex vulnerability as reflected in the City's Climate Map
  - Ability to sustain and maintain network and sites during blue skies, disruption, and recovery
  - Capacity to deploy resources with intention while maintaining compliance

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Next Steps

- February 25: CDBG-DR Administrators Draft Contingent Awards
- February 28: Community Drop-In Design Workshop on park projects
- March 3: IRB reviews and provides feedback on design concept for parks project
- March 10: City Council:
  - Provide feedback on design concept for parks project
  - Consider approval of a budget amendment for a $10M State Revolving Fund Loan for water recovery projects
- Q1 Fiscal Year 2026 - 2027: Results of Resilience Hub Mapping Project Shared with People and Environment Recovery Board and Planning, Economic Development and Environment Council Committee

Discussion

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