Community Development Block Grant - Disaster Recovery (CDBG-DR) - Substantial Action Plan Amendment

June 23, 2026

Infrastructure Recovery Board

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Staff Recommendation

CDBG-DR Program	Original Allocation	Change	Amended Allocation
Affordable Multi-Family Housing Construction Program	$28,000,000	- $9,200,000	$18,800,000*
Infrastructure Program	$125,000,000	- $10,000,000	$115,000,000
State of NC Reconstruction and Rehabilitation (R&R) Program	**$3,000,000**	**+ $19,200,000**	**$22,200,000**

- Will serve an estimated 55-65 households
- Will focus on serving lowest income households will vulnerable residents first

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Single Family Home Repair

- The CDBG-DR Action Plan included $3 million to fund construction costs for single family home repair through the State's program. The State provides funding for program administrative costs.
- The $3 million has been authorized to serve 7-8 homes.
- There is an estimated construction cost gap of $32 million for single family home repair.
- This program is designed as funding of last resort for homeowners of Helene damaged homes.
- The City is prioritizing serving the lowest income families first with vulnerable family members.
- If no additional funds are authorized, program participants are unlikely to be served by a City-supported program.

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Substantial Amendment Process

All significant changes to the CDBG-DR Action Plan have to go through a HUD regulated process:

- Public Comment
  - The 30-day public comment period ran from May 15–June 14, 2026.
  - A public hearing was held during the Asheville City Council meeting on June 9.

- Vote by the Governing Board
  - City Council on June 23.

What we Heard: Public Input Summary

- Overall support to fund single family home repair, infrastructure projects and new multi-family development.
- Opposition to utilizing CDBG-DR funds for single family home repair.
- Concern over CDBG-DR and Renew NC requirements that result in more costly home repairs.
- Concern about housing availability for displaced residents.
- Preference to utilize CDBG-DR funds for multi-family development.

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Infrastructure

- Increased resilience in the City's water system is our top infrastructure priority and thus the City pursuing multiple funding sources to strengthen water system resilience.
- Progress Indicators Include:
  - **$10M NC DEQ State Revolving Fund loan secured** for North Fork Resilience project.
  - **$260M** North Fork Resilience NCEM Hazard Mitigation Grant application submitted to FEMA (April 2026); first phase estimated at **$10M**.
  - Permanent pretreatment system at DeBruhl Water Treatment Plant deemed eligible for FEMA Public Assistance, currently estimated at **$25M.**

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Proposed CDBG-DR Infrastructure Reallocation

Project	Original Allocation Recommendation	Proposed Reduction	Revised Recommendation
French Broad Riverfront Parks Recovery Project	$21,375,000		$21,375,000
Azalea Parks & Infrastructure Recovery Project	$9,000,000		$9,000,000
North Fork Pre-Treatment	$89,727,490	-$10,000,000	**$79,727,490**
Resilience Hub Investments	$2,125,000		$2,125,000
Subtotal, Allocation Available			**$112,277,490**
Compliance Costs			$2,772,510
Total Revised Allocation			**$115,000,000**

Suggested Motion

Motion to support staff's recommendation to reallocate $10 million from the Infrastructure Program to the Single Family Rehabilitation & Reconstruction Program.

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What we will do with the input received today

- Input will be shared with City Council prior to voting this evening.

- The questions or concerns identified today will be used to inform our communications to the public.