City of Asheville Staff Report

City Council Meeting Date:

- June 23, 2026

Staff Resources:

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

Action Requested:

- Adoption of a resolution authorizing a Substantial Amendment to the Community Development Block Grant - Disaster Recovery (CDBG-DR) Action Plan to reallocate $19,200,000 in CDBG-DR funding to the CDBG-DR Single-Family Home Repair Program, amending the CDBG-DR Affordable Multi-Family Housing Construction Program budget to $18,800,000 and the Infrastructure budget to $115,000,000, bringing the Single-Family Home Repair Program's budget total to $22,200,000.

Background:

- The City of Asheville was allocated $225,010,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) on January 16, 2025. These funds are governed by an Action Plan detailing programmatic priorities.
- The City is currently implementing the CDBG-DR Single-Family Home Repair Program in partnership with the State of North Carolina Department of Commerce. The current $3 million allocation is insufficient to meet current needs. Staff is proposing a Substantial Amendment to the Action Plan to reallocate funds to address these needs.
- The initial $3 million allocation is expected to support only 8-10 households, with 7 projects already authorized. The limitation on households served is due to high reconstruction costs, which average approximately $360,000 per home for applications that exceed the program's reconstruction threshold. The current state provided estimate to serve all City of Asheville residents is between $30 and $40 million. See table below as of May 28, 2026:

AMI Range	Household Criteria	Program Phase & Priority	Household Count

0–60% AMI	Child, Elderly, or Disabled	Phase 1/Priority 1	87
0–60% AMI	Other Eligible Households	Phase 1/Priority 2	21
60–80% AMI	Child, Elderly, or Disabled	Phase 2/Priority 1	6
60–80% AMI	No Child, Elderly, or Disabled	Phase 2/Priority 2	3
81–120% AMI	Child, Elderly, or Disabled	Phase 4/Priority 1	30
Under Review	Pending Final Determination	TBD	5

- The amendment proposes to reallocate $9,200,000 million from the CDBG-DR Multi-Family New Construction Program and $10,000,000 million from the Infrastructure program to the Single-Family Home Repair Program, resulting in a $22,200,000 total allocation for Single-Family Home Repair administered by the State of North Carolina's Renew NC program, $18,800,000 remaining in Multifamily New Construction, and $115,000,000 remaining in Infrastructure. It includes an updated evaluation of unmet recovery and mitigation needs to justify the substantial reallocation of funds and it updates the table of funding allocations to reflect the movement of funds proposed by the Substantial Amendment.
- The City's Citizen Participation Plan requires a public hearing and a 30-day public comment period for any Substantial Amendment. The 30-day period was open from May 15 through June 14, 2026.
- 75 total comments were received across all comment opportunities. Staff reviewed all public comments and major themes are outlined below.
- The majority of the comments referenced:
    - Cost Efficiency vs. Scale: Concerns with the high cost per household for the Renew NC single-family program compared to non-profit alternatives. Costs are also seen as inefficient compared to funding multi-family units.
    - Renter Vulnerability: Commenters stated that shifting funds away from multi-family housing ignores the ongoing rental crisis and leaves displaced, low-income renters with few recovery options.
    - Support for Local Alternatives: Multiple residents and organizations suggested using local nonprofits instead of the State program to complete home repairs at a lower cost.
    - Infrastructure Protection: Consistent opposition to diverting $10 million away from the infrastructure allocation, with commenters stating that community-wide assets like roads and water systems must remain fully funded.
- Additional comments referenced:

    - Urgent Homeowner Relief: Comments to quickly pass the amendment to provide immediate financial relief to homeowners who have been waiting nearly two years to return to or repair their homes.
    - Preventing Displacement: Single-family home repair is identified as an anti-displacement strategy, necessary to protect generational wealth and keep long-time residents in their established neighborhoods.
    - Concerns about Renew NC's Program, citing delays, poor communication, and stalled applications.
    - Transparency and Oversight: Requests for the City to publish updated, data-driven Unmet Needs Assessments. Commenters also want independent reviews of Renew NC's repair-versus-reconstruction threshold and greater transparency regarding administrative costs.

Vendor Outreach:

- N/A

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing

Council Priority Recovery Area(s):

- People
- Housing

Committee(s):

- Housing Recovery Board - June 3, 2026.
    - First motion: The HRB preferred only to comment on the reallocation of funds from the Multi-Family program and abstain from commenting on the Infrastructure funding. The formal motion was to not support staff's recommendation to amend the CDBG-DR Action Plan to reallocate $9.2 Million from the Affordable Multifamily Construction Program to the Single Family Rehabilitation & Reconstruction Program. The motion passed 6-4.
    - Second motion: The HRB recommends that City Council and City Staff formally pursue all available avenues to secure access to State CDBG-DR housing recovery funds for eligible households within Asheville, including engagement with State agencies, the Governor's Office, and the North Carolina General Assembly. The motion passed unanimously 10-0.

- Infrastructure Recovery Board - June 23, 2026

Fiscal Impact:

- None

Suggested Motion:

- Motion to recommend City Council authorize the City Manager to submit an amendment to the CDBG-DR Action Plan to reallocate $19,200,000 to the Single Family Reconstruction with $9,200,000 from the Multi-Family Housing Construction Program and $10,000,000 from the Infrastructure Program, update the Unmet Needs Assessment and mitigation needs assessment to reflect new data, and execute any documents necessary to give effect to this resolution.

Attachment(s):

- Resolution

City of Asheville Resolution Number 26-___

Resolution authorizing staff to submit an Amendment to the CDBG-DR Action Plan to the U.S. Department of Housing and Urban Development (HUD) for the reallocation of $9,200,000 million from the CDBG-DR Affordable Multi-Family Construction Program and $10,000,000 million from the CDBG-DR Infrastructure program to the CDBG-DR Single-Family Home Repair Program, resulting in a $22,200,000 total allocation for the Single-Family Home Repair Program administered by the State of North Carolina's Renew NC Program.

Whereas, the City of Asheville is an Entitlement City for the federal Community Development Block Grant - Disaster Recovery (CDBG-DR) funding; and

Whereas, the City of Asheville was awarded $225,010,000 in one-time funding via the CDBG-DR Program in January 2025; and

Whereas, the CDBG-DR Action Plan was approved to be submitted to the U.S. Department of Housing and Urban Development (HUD) as part of Resolution No. 25-80 on April 8, 2025, and was approved by HUD on May 14, 2025; and

Whereas, the CDBG-DR Action Plan allocated $31,000,000 to Housing Programs, inclusive of $3,000,000 for the Single-Family Housing Rehabilitation & Repair program and $28,000,000 to the Affordable Multifamily Housing Construction Program; and

Whereas, the City of Asheville has partnered with the State of North Carolina Renew NC Single-Family Housing Program to administer rehabilitation and reconstruction activities for Asheville homeowners on the City's behalf, with the City reimbursing the State only for eligible hard construction costs incurred while implementing the program within Asheville city limits; and

Whereas, the demand and need for the Single Family Housing Repair program far outweighs the initial allocation as substantiated by an updated unmet needs assessment contained in the substantial amendment; and

Whereas, the City is seeking to reallocate CDBG-DR funding through a substantial amendment to the CDBG-DR Action Plan, reallocating $19,200,000 to the Single-Family Housing Rehabilitation & Repair program; and

Whereas, a substantial amendment must undergo a 30-day public comment period and be posted on the City's official CDBG-DR website to ensure transparency and public input; and

Whereas, a public comment period was held from May 15, 2026, through June 14, 2026 and a public hearing was held on June 9, 2026, and all comments will be recorded in the Action Plan, and any changes resulting from comments received are reflected accordingly;

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

City Council authorizes staff to submit an amendment to the US Department of Housing and Urban Development to the CDBG-DR Action Plan for the reallocation of (1) $9,200,000 million from the CDBG-DR Affordable Multi-Family Construction Program and (2) $10,000,000 million

from the CDBG-DR Infrastructure program to the CDBG-DR Single-Family Home Repair Program, resulting in a $22,200,000 total allocation for the Single-Family Home Repair Program, administered by the State of North Carolina's Renew NC Program.

Read, approved, and adopted this 23rd 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