The Housing Law and the *Flood*

Congress passed what its authors call the biggest housing bill in a generation, and in July 2026 it became law without the President's signature. For Western North Carolina, the part that matters isn't new money, because there's almost none. It's the machinery for disaster recovery, the kind we're still living through.

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Published June 24, 2026 · Updated October 21, 2026
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A housing bill cleared Congress by a margin almost nothing gets anymore. The House passed it 358 to 32, a day after the Senate. The President canceled the planned signing to press Congress on an unrelated elections bill first. Then he let the ten-day deadline pass without signing or vetoing, and on July 11, 2026, the bill became law on its own. It is called the 21st Century ROAD to Housing Act.

The right question is not how big it is but which parts reach the mountains, and when. Seen from Asheville, the answer is narrower and more useful than the headlines suggest.

WHAT PASSED

A big law that spends *almost nothing*

The law bundles dozens of smaller bills into 12 parts, and it is mostly rules. It cuts red tape on environmental reviews so that small projects, and infill projects on empty or underused lots in built-up areas, move faster. It redefines manufactured housing. It lifts caps on existing programs, authorizes a handful of pilot programs without paying for them, and orders a stack of studies. The very last section is titled "No Additional Funds Authorized."

So the law writes no check to Asheville. It changes how housing gets approved, financed, and preserved across the whole country. That can matter a great deal over the years, but it won't change a single rent right away.

THE PART THAT TOUCHES US

Better machinery for the *next flood*

The provision that matters most here is the one almost no national story led with. The bill rebuilds the federal program that pays for long-term disaster recovery, the one Western North Carolina depends on right now.

After Helene, the federal housing department, HUD, awarded the City of Asheville about **$225 million** in disaster-recovery money, on top of roughly **$1.43 billion** for the state of North Carolina. If that sounds like enough to rebuild a region, the recovery since the storm in September 2024 has shown that it is not.

In June 2026 the City Council voted to move $19.2 million of the city's grant into home repairs handled by Renew NC, the state's rebuilding program for homeowners. That brought the city's money there to $22.2 million. The new needed HUD's sign-off, which came on July 13, 2026. The city estimated the $22.2 million would fix or rebuild about 55 to 65 homes. Roughly 150 households were eligible for the repairs, with an estimated total need of $32 million.

The state's Renew NC program had finished work on 165 homes by September 27, 2026, two years after the storm. Another 2,037 applications were still in review, in pre-construction, or under construction. **The WNC Desk's Helene recovery brief** lists where those applications stand.

$225M	$1.43B	3 yrs
HUD disaster-recovery money to the City of Asheville for Helene	To North Carolina statewide, most of it for the hardest-hit counties	How long the new disaster program lasts, through July 2029

The first two numbers are what was awarded. The third is how long the new disaster program lasts, and that program could get the next round of money out faster.

Helene's grants arrive under a program Congress has never made permanent. Before this law, that meant none of the program's money could flow for a disaster until Congress provided it for that disaster. Federal auditors have tied the lack of a permanent program to delays, because HUD had to write new grant rules for each disaster. In January 2025 HUD published a single notice with the requirements it plans to apply to each new round of these grants. HUD announced Helene's grants that same month, less than four weeks after Congress approved the money.

The bill puts that disaster-recovery program into law for three years, through July 2029. It also creates a standing Office of Disaster Management and Resiliency inside HUD. The office's job is to oversee how HUD prepares for and responds to disasters, and to coordinate recovery work with the rest of HUD, FEMA and the Small Business Administration. The bill orders HUD to set a formula in advance for sending money out after disasters HUD finds catastrophic. The final rules for the program are due by July 2027. HUD itself must also coordinate with FEMA and share data with it.

None of this is new Helene money. The bill does not speed up money that is already stuck. The new program's grants must be paid from money Congress provides after July 11, 2026. Helene's grants keep running under the law that funded them. For a region that may face the next storm before it finishes digging out of this one, a program that moves faster is worth having. It's just not the same as cash. In June 2026, North Carolina's governor asked Congress for about $10 billion more for Helene recovery, about $3 billion of it to repair and rebuild homes. As of September 25, 2026, he was still asking for the full amount.

THE QUIETER PIECES

Four more that fit the mountains

Past the disaster-recovery program, four smaller provisions match how people out here actually live, and how they lose their homes.

Rural rentals

It lets USDA keep rental assistance flowing to old rural apartments as their federal mortgages come due. The aid comes under contracts of up to 20 years that depend on Congress providing the money each year. The Senate committee's summary says the section will help preserve housing for about 400,000 rural families nationwide.

Shelter flexibility

It lets a government that receives federal **Emergency Solutions Grants** ask HUD to lift the cap on how much of that money can go to shelters and street outreach. This applies to grants for the federal budget years from October 2026 through September 2030. Asheville receives no such grant of its own, so in this region the request would come from the State of North Carolina. HUD has 60 days to answer. HUD must refuse a request from a government that moves people or their belongings, or threatens to, without providing emergency shelter, **rapid rehousing**, transitional housing or permanent housing. If HUD agrees, the section gives more room to fund a bed. It gives no new money to fund one.

Manufactured homes

It updates the federal definition of manufactured housing and authorizes a seven-year program to stabilize manufactured-home communities. In the mountains, factory-built housing is much of what working families can still afford, and much of what the flood took.

Investor limits

A section titled "Homes Are For People, Not Corporations" bars investors that control 350 or more single-family homes from buying more, starting in January 2027. The ban has exceptions, and it ends in January 2042. Investors do buy a large share of homes here, about a quarter of single-family sales in Buncombe County from October through December 2025. But nearly all the homes investors own here belong to small landlords with 10 homes or fewer, and this section doesn't reach them.

THE PUSH ON CITIES

Two ways it leans on *city hall*

Two sections measure a town's housing growth and then reward the town or cut its grant. Neither one changes a zoning code. The first of them, the Innovation Fund, says plainly that nothing in it lets HUD override local zoning.

Under the Innovation Fund, the bill tells HUD to run a grant competition open to local governments and tribes whose housing supply growth has measurably improved. HUD must first publish the method it will use to judge that improvement, and invite comments. The bill also gives examples of the local work the grants can pay for, and says the list is not complete. The examples include allowing duplexes, triplexes and fourplexes without special approval, easing or dropping off-street parking requirements, shrinking minimum lot sizes, and letting backyard cottages and other accessory dwellings go up without a fight. Awards run from **$250,000 to $10 million**. HUD must make at least 25 of them a year, unless Congress provides too little money for that many.

The Innovation Fund is authorized at **$200 million a year**, adjusted for inflation, for each federal budget year from October 2026 through September 2031. But the last section of the same law says no additional funds are authorized to carry the law out. Both provisions are in the law as passed. Either way, authorizing money is not the same as providing it. No grant exists until Congress pays for it.

The second of the two sections is called Build Now, and it works on money a city already receives. HUD scores each city on whether its housing growth has sped up or slowed down. It compares the latest five years with the five years before. Starting with the federal budget year that begins in October 2028, a city that scores below the median loses **10 percent** of its annual **community development block grant**. That money goes to the cities at or above the median, and to the very fastest-growing ones, in proportion to the homes each added. Asheville's most recent grant, for the federal budget year that ended in September 2026, was about **$1.05 million**, so a 10 percent cut would be about $105,000.

Buncombe County receives no such grant, so the county is outside Build Now. Asheville may also be outside it, because Build Now leaves out any city whose rental vacancy rate is above the national rate the Census Bureau publishes. On the Bureau's American Community Survey for 2020 through 2024, about 19 percent of Asheville's rental homes were vacant and for rent, against about 5.5 percent nationwide. If a gap like that holds when Build Now's formula starts, Asheville would take neither the cut nor the bonus.

One line in Build Now is about places like this one. A city is left out of Build Now's formula in any year when it has had a major disaster or emergency declaration in the three years before HUD divides the money. That year it takes no cut and no bonus. Helene's major disaster declaration came on September 28, 2024, and the formula does not start until the federal budget year that begins in October 2028. So Helene alone will not keep Asheville out. A later declaration would keep Asheville out for the three years after it.

WHAT IT WILL NOT DO

The rest is up to *others*

It would be easy to read a law this size as a rescue. But its pieces only work where someone uses them.

Most of the pieces aimed at housing supply depend on three things the bill cannot deliver on its own: HUD writing the rules, Congress later funding the pilots it only authorized, and local zoning the law does not touch. Buncombe County has already cleared the last of its single-family-only zoning. The City of Asheville has adopted some of the recommendations in its own study of "missing middle" housing, the small buildings with a few homes each. In August 2026 it allowed duplexes in every residential district and raised the size limit for accessory dwellings. It also dropped its minimum parking requirements, which most North Carolina cities and counties will have to do under a new state law starting in January 2027. It hasn't adopted other recommendations, including allowing the three- and four-unit buildings the study proposed. That zoning work is meant to bring about the faster housing growth the bill rewards. The bill cannot make a town do the work.

THE TAKEAWAY

The bill builds the machinery. It does not send the *money*.

The new disaster office, the formula for disasters HUD finds catastrophic, the rules HUD must write: those are the machinery. HUD has to reach a particular road in a particular road in Swannanoa. That last stretch runs through the state's Renew NC program and the county's recovery office and zoning rules. The bill could make the response to the next flood faster than it was for Helene, if Congress puts money into the new disaster-recovery program before it ends in July 2029. For the families still pulling drywall out of the last one, that's a promise about the future.

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