



Buncombe County Government

Planning and Development

46 Valley Street
Asheville, NC 28801

Nathan L. Pennington, CFM

Planning Director

Telephone (828) 250-4830

Fax (828) 250-6086

MEMORANDUM

To: Affordable Housing Subcommittee of the Board of Commissioners

From: Matthew Cable, Planner III
Donna Cottrell, Business Administrator
Cynthia Fox-Clark, Planner III

Date: April 16, 2019

Subject: Asheville Area Habitat for Humanity & Old Haywood Road Phase I Project

Buncombe County has provided Asheville Area Habitat for Humanity (AAHH) funding to support its programs principally through the Affordable Housing Services Program (AHSP). This memo services to: (1) summarize loans provided to AAHH from FY 2005 – FY 2019; (2) summarize information regarding the AAHH Old Haywood Road Phase I project; and (3) provide a brief project history for the Old Haywood Road project.

I. Asheville Area Habitat for Humanity Construction Loans & Balances FY 2005-FY 2019

Buncombe County, through the Affordable Housing Services Program (AHSP), has allocated loan funding to Asheville Area Habitat for Humanity (AAHH) for single family developments. Buncombe County has not provided loan funding to AAHH outside of the AHSP Program.

Buncombe County has allocated to AAHH \$1,903,000 in AHSP loans (which include combined construction/downpayment assistance loans) for single family developments. AAHH has received seven (7) loans for six (6) separate projects totaling \$1,183,000. AAHH received approval for an eighth loan in the amount of \$240,000 for the Old Haywood Road Phase I Project in FY 2019 with that loan agreement currently pending. Construction loans for single family units include a 2% interest rate and repayment within five (5) years or at the sale of the unit, whichever comes first. Downpayment assistance loans include a balance due when a homeowner no longer lives in the unit, sells the unit, or refinances the unit. Table 1, below, provides additional details regarding the loans provided to AAHH through the AHSP.

Table 1: AHSP Construction Loans for AAHH Single Family Developments

Development	Total Loan Amount	Construction Loan Amount	Downpayment Loan Amount	Payments Received Since Origination	Total Payment Remaining	Portion of Payment As Interest
Elkwood Avenue	\$ 105,000	\$ 45,000	\$ 60,000	\$ 47,217	\$ 0	\$ 2,217
Dennis Street	\$ 350,000	\$ 95,000	\$ 255,000	\$ 103,429	\$ 0	\$ 8,429
Johnson Boulevard	\$ 175,000	\$ 103,000	\$ 72,000	\$ 107,734	\$ 0	\$ 4,734
Johnson Boulevard/ Hudson Hills	\$ 25,000	\$ 0	\$ 25,000	\$ 0	\$ 0	\$ 0
Beale Road*	\$ 253,000	\$ 168,666	\$ 84,334	\$ 0	\$ 168,666	\$ 10,000
Curry Court*	\$ 275,000	\$ 183,333	\$ 91,667	\$ 0	\$ 183,333	\$ 10,000
Total	\$ 1,183,000	\$ 594,999	\$ 588,001	\$ 258,380	\$ 351,999	\$ 35,830
Old Haywood Road Phase I**	\$ 240,000	TBD	TBD	TBD	TBD	TBD

*Beale Road and Curry Court are in progress therefore the total interest are projected based on current development status. **Old Haywood Road Phase I is allocated but a loan agreement is not yet in place.

II. Asheville Area Habitat for Humanity's Old Haywood Road Phase I Development

Buncombe County is experiencing an extreme demand for affordable housing units. The Old Haywood Road Project, by Asheville Area Habitat for Humanity (AAHH), is an affordable housing development which will ultimately consist of 98 residential units (32 single-family units and 66 townhome units) on 20.55 acres of land. All units will be sold to households at or below 80% of area median income. The project is divided into phases. Old Haywood Road Phase I includes 38 residential units (12 single-family units and 26 townhome units).

The development serves an area outside the city limits of the City of Asheville, is located on existing infrastructure, and is located close to employment, shopping, and medical facilities. The development will be located on Old Haywood Road. The development is located near schools and employers. The transfer point for the Enka Candler Trailblazer and City of Asheville transit is within one (1) mile of the development.

The development will offer 38 new homes (2-unit townhomes and single-family homes) affordable within 30% of the income of buyers who earn 70% of AMI or less. All units will be reserved for families below 80% AMI (area median income). AAHH has successfully completed developments and has site control for the Old Haywood Road project. The proposed start of construction is March 2020, with a move in date projected for February 2023.

III. Asheville Area Habitat for Humanity's Old Haywood Road Development History:

- 2018: Asheville Area Habitat for Humanity (AAHH) submitted an AHSP application for loan funding (construction loan/downpayment assistance loan) for 31 units of a proposed 98 unit housing development on Old Haywood Road, referred to as "Old Haywood Road Phase I". The Board of Commissioners approved AHSP allocation is to support 24 units (staff scoring sheet provided in Attachment 1). A loan agreement has not been finalized.
- 2019: Asheville Area Habitat for Humanity (AAHH) applied for conditional use permit, subdivision approval and stormwater permit.
- 2019: Asheville Area Habitat for Humanity (AAHH) would request consideration of a loan in the amount of \$1.4 million to support infrastructure improvements for Old Haywood Road Phase I. This request for funding would be in addition to the existing pending loan. Attachment 1 provides proposed financing and costs for the project were the funds to be approved and received in FY 2020 as a single disbursement.