

**BUNCOMBE COUNTY
WORKFORCE HOUSING PROGRAM**



LOAN APPLICATION GUIDELINES

**Buncombe County
Department of Planning and Development**

**A. Introduction and
Eligible Activities:**

Buncombe County Commissioners adopted a Workforce Housing Policy on April 15, 2008. Updated October 6, 2015.

The policy exists because affordable housing opportunities for all segments of the community are an important part of developing and maintaining a healthy economy and diverse workplace. The difficulties working families face in affording a safe and decent place to live in our area has given rise to the need to create additional incentives for the private and non-profit sector to develop affordable workforce housing.

The following types of projects will be eligible for assistance through this program:

- Construction of new single family housing for sale
- Construction of new townhomes/condominiums for sale
- Installation of sewer lines to serve the development of units for sale

All housing must meet state and local building codes. Homes must be stick-built or system-built (modular) housing. All projects must be located within Buncombe County.

**B. Eligible
Applicants:**

Developers may be:

- For-profit corporations, partnerships, or sole proprietors;
- Private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; and
- Public non-profit agencies and governmental agencies, including the County (which may itself operate projects assisted by the WFHP).

Individuals seeking to build a home to live in will not be eligible to apply for funding through this program.

C. Eligible Use of Funds:

Funding assistance is limited to projects within Buncombe County, including within any of the County's six municipalities.

D. Affordability:

To be considered "affordable", housing must be priced affordably and sold to a family with household income at or below 120% area median income (adjusted for family size).

Appendix 1 provides information on income levels and sales prices that meet these criteria.

E. Timeframe:

Projects must be scheduled to break ground or spend at least 10% of total project cost within 12 months of submission of application.

F. Loan Amount:

Assistance can be provided up to \$2,500 per unit. Additional funding up to \$2,500 per unit may be awarded for a combination of the following: energy efficient design¹ and inclusion of ADA accessible units (up to \$500 per unit); multiple housing designs and house sizes offered within development (\$500); if 50% of the workforce homes provided are sold to families at or below 120% of the AMI (\$500); and if 50% of the homes provided are sold below \$150,000 for condos/townhomes, and \$175,000 for single family site built homes (\$1,000). Consideration will be given to the number of bedrooms per unit as well as the square footage in each unit assisted.

G. Program Terms and Loan Terms:

Development Assistance Funding

The project must be located within Buncombe County. If condominium or townhome development is proposed, there must be a minimum of 100 units of workforce housing proposed, and all units must be sold for less than \$175,000; if traditional single family home construction is proposed, there must be a minimum of 50 units of workforce housing proposed, and all units must be sold for less than \$220,000.

Housing must be sold to families who intend to use the home as their primary residence (i.e., no landlords), and to fulltime residents of Buncombe County. Affordable units may be and are encouraged to be mixed with market rate units within the same development.

Housing must be sold to families at or below 120% of the AMI.

¹ Energy efficient design could include several components such as *site orientation* to take advantage of natural daylight; *exterior shading devices* such as trees, sunshades, or dual glaze windows; *Energy Star rated* roof, doors, windows, and appliances; *building materials* that are constructed with non-toxic materials or renewable sources; or other considerations.

Assistance to the developer will be provided on a reimbursement basis through one of two methods:

- A deferred construction loan at 0% annual interest payable once the homes are sold and affordability is guaranteed through deed restrictions for up to five (5) years. The developer must provide copies of the selling statements with the home purchase price and loan documents stating the applicants' income. A Note and Deed of Trust will be recorded between the County and the developer for the construction period up through total sale of affordable units. The construction loan will be payable with 4% annual interest within five (5) years if required number of units have not resulted.
- A deferred construction loan that rolls into a second mortgage for the homebuyer. The construction loan will exist on each lot/unit within the development. As each unit is sold, the construction loan will convert into the second mortgage for the homebuyer. The developer must provide copies of the selling statements with the home purchase price and loan documents stating the applicants' income. The mortgage will be repayable to the County once the homebuyer no longer lives in the home, at the percent increase of appreciation for what the home sells for, but no less than the original amount of the home loan. The construction loan will be payable with 4% annual interest within five (5) years if required number of units have not resulted.

Development Assistance Related to Sewer Costs

A separate option for developers to consider is sewerline assistance. Developers can apply for sewerline easement and installation financial assistance, based on the same criteria as listed above (i.e., income guidelines, house sales price, number of units, etc.). Instead of financial assistance provided on a reimbursement basis, assistance could be provided through contract, repayable once units are sold or at the end of five years, whichever occurs first. The funding will be secured through a Guarantee of Improvements or other similar bond structure. The bond will be for the total amount of the sewer project cost. A portion of the bond can be reduced each time a block of units are sold. Loan funds

will be returned to the County upon transfer of each unit. The maximum amount of loan will be based on the total number of workforce housing units supplied, and the amount of County funds available, but will generally not exceed \$500,000.

H. Good Faith Efforts:

The County will require all developers to abide by Fair Housing principles, which prohibit discrimination based on race, age, gender, religion, national origin, disability, or family status. Units constructed with Buncombe County's WFHP must be openly marketed to ensure fair housing choices.

I. Minority Business Participation:

The County has adopted a Minority Business Plan to encourage participation by minority and women-owned businesses in County assisted projects. Bidders are hereby notified that this bid is subject to the provisions of that Plan to outreach to minority businesses for this RFP. Questions regarding the Minority Business Plan may be directed to County Finance at (828) 250-4800. You can access two sources for certified minority firms at http://www.ashevilenc.gov/departments/community/minority_business_.htm and www.doa.state.nc.us/hub to search for vendors. It is the policy of the County to (1) provide minorities an equal opportunity to participate in all aspects of its contracting and procurement programs and (2) prohibit any and all discrimination against persons or businesses in pursuit of these opportunities.

J. Review Procedure:

Applications will be reviewed by the WFHP Application Review Committee and scored according to criteria based on the degree to which the activity follows the established goals, as well as other factors such as the public purpose; community impact; financial feasibility; applicant's experience and capability to successfully complete the proposed activity; the degree to which funding is leveraged with additional investment; the degree to which the project coordinates with local employers; and the number of beneficiaries for the proposed project.

Recommendations will be submitted to the Board of Commissioners for final approval. Projects will be evaluated on an individual basis. Availability of funds or changing conditions may cause the Board of Commissioners to modify, amend, or discontinue this program.

K. Administration:

Staff of the Planning and Development Department and Finance Department will administer the WFHP, with assistance from the County Legal Department, under the general direction of the County Manager.

APPLICATION INSTRUCTIONS

Complete the application form manually or electronically. It can be downloaded from the County's website at www.buncombecounty.org under the Planning Department's housing section.

Submit the application in printed form or via e-mail. Additional printed documentation, photographs and maps may be attached to clarify the project description, experience of the developer, etc. The program is ongoing, and applications will be accepted year-round. In printed form, the original and one copy should be submitted to: Buncombe County Department of Planning and Development, 46 Valley Street, Asheville, NC 28801. Applications should be fastened with a paper clip or other fastening that can easily be undone for copying. Please do not use binders, covers, staples, or page tabs.

For applications submitted electronically: the completed application should be submitted via e-mail to Jon.Creighton@buncombecounty.org

Applications and attachments must be submitted in Microsoft Word or Adobe PDF format. Attachments should be in B/W and not larger than 8 1/2" x 14". If any pages are larger or in color, do not submit application via e-mail.

The County reserves the right to act as sole judge of the content of the applications submitted for evaluation, selection and may, at its sole discretion, reject any or all applications.

The County will not be liable for any cost incurred in connection with preparation and submittal of any application.

BUNCOMBE COUNTY
APPLICATION FOR WORKFORCE HOUSING PROGRAM LOAN

A. SUMMARY

Project Title:

Project Location:

No. of units:

Loan Amount Requested: \$

APPLICANT INFORMATION

B1. Applicant's Name:
(Doing Business As)

B2. Applicant's Address:

City/State/Zip:
Telephone Number:

B3. Contact Person:
Title:
Telephone No:
FAX No:
E-Mail Address:

B4. Type of Organization (select one):

- | | | |
|------------------------|---------------------|-------------------------------|
| Non-Profit Corporation | Sole Proprietorship | General Partnership |
| Limited Liability Corp | Limited Partnership | Limited Liability Partnership |
| Other: _____ | | |

Date Established:

B5. Enclose a copy of the following documents, as applicable:

- Application Information
- Project Description
- Financial Information
- Disclosure of Potential Conflicts of Interest

Also, please provide ONE of each of the following attachments, if available:

Non Profit Organizations:

- Current Organizational Chart
- IRS tax determination letter (501(C)(3))
- Current Bylaws and Articles of Incorporation
- Most recent independent audit
- Current Board of Directors
- Resume(s) of staff who will manage the project

For Profit Corporations/Partnerships:

- Articles of Incorporation/Partnership Agreement
- Most recent financial statement/Federal Tax Return
- Three business references with complete contact information
- Resume(s) of staff who will manage the project

B6. Project Team.

Describe the project team (project manager, developer, architect & other professionals), their relevant experience, and their specific responsibilities for this project. If the team is not yet assembled, then describe how you will select them.

C. SITE DESCRIPTION

Project Title: _____

C1 Client Description. Describe how you will market the homes and how you intend to secure eligible buyers.

C2. Project Description

Please provide a detailed description of the project, addressing each of the following questions, or insert “N/A” where the question is not applicable or no information is available.

Site Detail

- Site location map showing development site in relation to streets and points of interest in the surrounding neighborhood (at least ½-mile radius). Indicate waterways, floodplain boundaries, and railroads.
- Site map showing lot boundaries and location of building(s), and other site features.
- Lot size in acres_____.
- Current site zoning and the status of any required plan reviews.

Site control

- If you already own the site or property, submit a copy of the deed and describe all existing liens or deeds of trust on the property. If the site is currently under an option agreement, submit a copy of the option and purchase agreement.

Construction Detail

- Floor plan and sketch of finished building(s). Annotate floor plan to show ADA features if present. Annotate sketch to emphasize design features that you consider particularly attractive and compatible with other buildings in the neighborhood.
- Number of units newly constructed:
- Square footage of each unit: _____ ; Number of bedrooms/baths:
- Will project participate in an externally monitored energy efficiency program (e.g. Energy Star)?
- Yes: _____ (provide details). No: _____
- Number of units having full ADA accessibility: _____
- Number of others having at least the following accessibility features: _____:
 - An at-grade or ramped entrance to the main floor or the capability to easily install a ramp later on; *and*
 - All doorways and passageways on the main floor at least 32” wide; *and*
 - A bathroom or half-bath on the main floor that will accommodate a wheelchair (show dimensions of unobstructed floor area on floor plan)

C3 Affordability, Marketing, & Supportive Services

- Proposed sales prices for completed housing units.
- Process for marketing to ensure an adequate pool of income-eligible buyers.
- Any steps planned to ensure long-term affordability of housing units, including subsidy recapture, buy-back options, etc.
- Any services coordinated with the project that will help ensure occupants’ long-term housing success.

Infrastructure and Public Facilities

- Number of households not included in your project that will have direct access to improved infrastructure: _____
- Number of vacant lots provided with water/sewer availability: _____

C4. Size and Price of units: Complete one line for each unit or group of identical units. Add more lines if needed.

# of Bedrooms	# of Baths	No. of units of this size	Area/unit (heated sq. ft.)	Estimated Development Cost/unit	Cost per Sq. Ft	Proposed Sales Price
Totals:						

If it is not clear from the above information, describe the number of lots; the type of housing on each lot; and provide information on the requested amount of loan funds for each unit. Provide justification for the amount of loan requested for each unit based on the policy limits.

C5. Proposed Time Table: (add more lines if needed)

Activity	Time Period
Acquire Land	
Construction Loan	
Acquire Permits	
Site Preparation and Begin Construction	
Construction End	
Sale of Unit/Occupancy	

D. FINANCIAL INFORMATION

D1. Project Budget (add more lines if needed)

Project Revenues (sales revenues)

	\$
	\$
	\$
Total:	\$

Costs

Land Acquisition	\$
Site Preparation	\$
Construction	\$
Construction Contingency	\$
Appraisal	\$
Survey	\$
Architect/Engineering	\$
Permits	\$
Taxes	\$
Financing Cost (include interest)	\$
Legal	\$
Marketing	\$
In-house admin costs/developers fee	\$
Other(specify)	\$
Total:	\$

D2. Detail of project financing. Please attach letters evidencing existing loan commitments.

	Source of Funds	Amount	Interest Rate	Term (years)	Committed Yes/No
1	Acquisition Loan:	\$	%		
2	Construction Loan: Lender:	\$	%		
3	Other Loan: Lender:	\$	%		
4	Equity	\$			
5	Proposed Workforce Housing Program Loan:	\$	0%		No
	Total:	\$			

E. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

E1. Are you or any of your employees, Board Members, business associates, or members of their immediate families:

	Yes	No
Employee(s) of or closely related to employees of Buncombe County Government? If yes, which department? _____	<input type="checkbox"/>	<input type="checkbox"/>
Member(s) of or closely related to Members of the Board of Commissioners or a candidate for election to the Board of Commissioners?	<input type="checkbox"/>	<input type="checkbox"/>
Planning to live in one of the assisted units, or to sell it to a close relative or business associate	<input type="checkbox"/>	<input type="checkbox"/>

E2. If you have answered YES to any question, please attach a full explanation. The existence of a potential conflict of interest does not necessarily make your project ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any assistance and immediate repayment of the loan.

F. AUTHORIZATION

To the best of my knowledge and belief, all data in this application are true and current. The owner or governing board of the developer has authorized the application.

I understand and agree that Buncombe County will verify the information contained herein to determine the form of assistance. Verification may include obtaining a credit report for all principal parties.

Signature: _____ Date _____
Printed Name: _____ Title: _____

(For a partnership, all partners must sign)

APPENDIX 1
AFFORDABILITY

Maximum Sales Price:	Condo/Townhome	\$175,000
	Single Family Site Built:	\$220,000

* If developer wishes to receive additional loan funds of \$1,000/unit, at least 50% of the homes provided must be sold at or below \$150,000 for condos/townhomes and \$175,000 for single family site built homes.

* If developer wishes to receive additional loan funds of \$500/unit, 50% of the workforce homes provided must be sold to families at or below 120% of the Area Median Income.

2016 Income Limits Summary

	1 person	2 person	3 person	4 person
80% AMI	\$32,450	\$37,050	\$41,700	\$46,300
100%	\$40,600	\$46,400	\$52,200	\$57,900
120%	\$48,720	\$55,680	\$62,640	\$69,480

Notes:

Homes must be sold at or below the maximum sales price listed above while maintaining affordability to the buyer, and buyers must have income below 120% AMI, adjusted for household size. As a requirement prior to each closing, proof of owner income must be provided.