



# AFFORDABLE HOUSING SUBCOMMITTEE

Presented by

Matthew Cable

April 5, 2022



BUNCOMBE COUNTY

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## AGENDA

- ✓ Call to Order & Welcome / Public Comment Procedures Overview
- ✓ Approval of Meeting Minutes
  - March 1, 2022
- ✓ New Business
  - Master Planning for County-Owned Properties – T. Love, M. Cable
  - Asheville Regional Housing Consortium Draft 2022-2023 Funding Recommendations – M. Cable
  - FY 2023 Affordable Housing Services Program Budget & Applications – M. Cable
- ✓ Next Steps
- ✓ Announcements
- ✓ Public Comment
- ✓ Adjourn



BUNCOMBE COUNTY

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# MASTER PLANNING FOR COUNTY-OWNED PROPERTIES

Tim Love  
Matthew Cable



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## OVERVIEW

- **Strategic Alignment:** Development of County-owned properties supports meeting Buncombe 2025 Strategic Plan, Racial Equity Action Plan, & Affordable Housing goals.
- **Commission Goals:**
  - **Vibrant Economy Goals:** Implement land use strategies that encourage affordable housing near transportation and jobs; Increase total employment in target industries
  - **Resident Well-Being Goal:** Expand and maintain cultural and recreational assets.
  - **REAP Goals:** Improve housing outcomes for the most impacted communities; Improve wellness / recreation outcomes for the most impacted communities
  - **Affordable Housing Goals:** Increase the supply of affordable housing for rent and homeownership
- **Master Development:** Work with a partner to support master planning efforts.

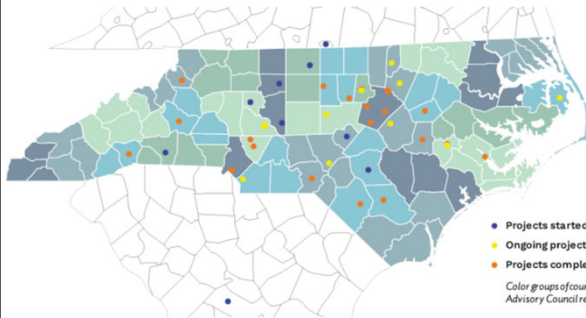


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# OPPORTUNITY: PARTNER WITH DFI

UNC School of Government Development Finance Initiative (DFI)

*“Partners with local governments to attract private investment for transformative projects by providing specialized finance and real estate development expertise”*



### TOTAL PROJECTS

	2020	Overall
TOTAL	20	167
ALL DFI projects	16	131
All class projects	4	36

### PROJECTS IN NORTH CAROLINA

by community size

	2020	Overall
>50,000	3	30
<50,000	6	43
<20,000	9	73
<2,500	0	17

by Tier

	2020	Overall
Tier 1	4	48
Tier 2	7	63
Tier 3	7	52

by distress level

	2020	Overall
Severely distressed	9	105
Distressed	4	23
Not distressed	5	35

DFI PROJECTS HAVE LED TO MORE THAN

## \$160 MILLION

IN PRIVATE INVESTMENT IN OUR COMMUNITIES AND COUNTIES.

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# DFI PROJECTS SINCE 2011



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## WHY DFI?

### Experience

- Working in NC and with affordable housing projects; does not require significant ramp up time
- Has engaged in 100+ projects of varying size/scope in 70+ communities throughout NC
- Ongoing support to local government throughout the process and to development agreement

### Timing

- DFI is a unit of government—the procurement process does not require formal bidding
- Scope of work seeks to deliver a master development solicitation within 1 year of initiation

### Cost Efficiencies

- Packaging Ferry Road and Downtown Properties = Economies of Scale
- DFI works "at risk"—only receives full payment when development agreement secured
- Identifies right support at right time: site planning expertise (architect, engineer), additional site preparation expertise (land survey, soil sample), etc.



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## DFI'S ROLE

Leveraging County's planning efforts for County-owned property, DFI will conduct:

- Pre-Development Feasibility Analysis
  - Site Analysis and Entitlement
  - Market Analysis and Affordable Housing Needs
  - Financial Feasibility
  - Public Private Partnership Modeling
  - Community Engagement
- Solicitation of private development partner(s)
- Support County in negotiating development agreement with selected partner(s) (ongoing)



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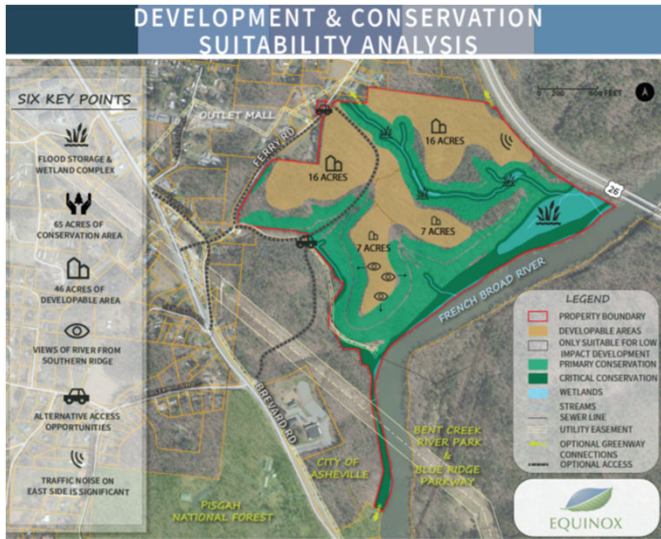
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# FERRY ROAD PROPERTY



# FERRY ROAD PROPERTY



## Scope of Work Overview

- **Cost:** \$137,400
- **Period of Performance:** 12 months
- **Deliverables:**
  - Master Development Agreement
  - RFP
  - Market Analysis
- **Next Steps:** April 19
  - Allocate FY22 AHSP funds
  - Direct staff to move to Contract



# DOWNTOWN PROPERTIES



## IDENTIFIED COUNTY-OWNED DOWNTOWN PROPERTIES AVAILABLE FOR REDEVELOPMENT

### COXE AVE



Tax (94 Coxe Ave)  
ID Bureau/Elections Storage (50/52 Coxe Ave)

### VALLEY ST



Permitting/Planning/ Recreation/Sheriff  
Annex (36 Valley St)

### WOODFIN ST



Parking Lot (35 Woodfin St)

**Note:** Vacancies are dependent upon ongoing studies; these locations are anticipated to be vacated, but not confirmed





# DFI'S PHASED APPROACH

## Phase 1: Pre-Development and Opportunity Site Identification

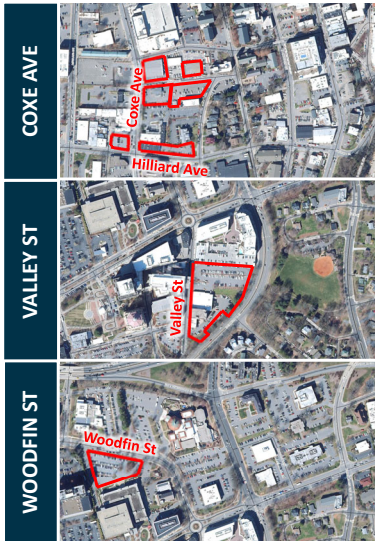
- Analyze parcels, sites, financial feasibility, market needs, and public interest
- Identify parcels suitable for LIHTC development
- Conduct current housing needs assessment for the County
- Consider how County offices may be incorporated into owned sites
- Prioritize sites for affordable housing; make site related recommendations

## Phase 2: Site Specific Pre-Development and Solicitation of Development Partners

- Assist in soliciting public input for selected site or sites
- Conduct site constraints analysis
- Prepare financial models
- Determine feasibility for private partners and scale of public investment
- Evaluate options for financing/structuring deals
- Solicit development partners capable of delivering project
- Negotiate deal points
- Arrive at development agreement(s)
- Support County until development partner closes on financing



# DOWNTOWN PROPERTIES FEASIBILITY STUDY



## Scope of Work Overview

- **Cost:** \$83,500
- **Period of Performance:** 12-24 months
- **Deliverables:**
  - Prioritized list of properties with recommendations
  - Financial model for 2 sites
  - Propose private development program for 2 sites
  - Solicitation for developments for 2 sites
  - Development agreements for 2 sites
- **Next Steps:** April 19
  - Allocate FY22 AHSP funds
  - Direct staff to move to Contract



# MASTER PLANNING FOR COUNTY-OWNED PROPERTIES NEXT STEPS: APRIL 19

## Ferry Road Property

- Allocate \$137,400 in FY 22 AHSP funds
- Direct staff to move to Contract

## Downtown Properties Feasibility Study

- Allocate \$83,500 in FY 22 AHSP funds
- Direct staff to move to Contract



# ASHEVILLE REGIONAL HOUSING CONSORTIUM DRAFT 2022-2023 FUNDING RECOMMENDATIONS

Matthew Cable





## ASHEVILLE REGIONAL HOUSING CONSORTIUM

### Four County Consortium

- Buncombe, Henderson, Madison, & Transylvania

### Lead Entity

- City of Asheville
- Administers HOME funds
- Approximately \$1.3 million in HOME funds annually

### Representation from Participating Jurisdictions



BUNCOMBE COUNTY

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## HOME INVESTMENT PARTNERSHIP PROGRAM

### HOME

- Federal grant program through Housing and Urban Development (HUD)

### Provides grant funds on a reimbursable basis to:

- Provide affordable housing to low-income households,
- Extend capacity of non-profit housing providers,
- Strengthen ability of state/local governments to provide housing, and
- Leverage private-sector participation.

### HOME Funds Uses:

- New Construction, Rehabilitation, Downpayment Assistance, Rental Assistance, Site Improvements, Acquisition of Property, Relocation Costs, Soft Costs, Activities of CHDOs, and Program Administration



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## FY22-23 HOME BUDGET

\$1,296,760 Estimated FY22-23 Allocation

\$12,876 Estimated Program Income

\$218,250 FY 19-20 Returned CHDO Funds

\$100,000 FY 21-22 Returned Funds

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\$1,627,886 Total Estimated for FY22-23 Award



## FY22-23 HOME BUDGET "SET ASIDES"

\$1,627,886 Total Estimated for FY22-23 Award

\$194,514 FY 22-23 CHDO Reserve (to CHDO)

\$218,250 FY 19-20 CHDO Reserve (to CHDO)

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\$412,764 Total to CHDO

\$130,963 City of Asheville Administration

(10% of FY22-23 Allocation and Program Income)



# FY22-23 FUNDING RECOMMENDATIONS

Agency Name	Proposal (Type)	Units/HH	County	Request	Award
Commonwealth Development Corporation	Fairhaven Meadows (Rental Construction)	60	Transylvania	\$500,000	\$500,000
The Housing Assistance Corporation (CHDO)	Apple Ridge (Rental Construction)	60	Henderson	\$600,000	\$412,764
Workforce Homestead, Inc.	Juniper (Rental Construction)	72	Transylvania	\$893,908	\$306,622
WDT Development, LLC	White Pine Villas (Rental Construction)	78	Henderson	\$350,000	\$202,537
<b>Helpmate, Inc.</b>	<b>Domestic Violent Survivors TBRA (TBRA)</b>	<b>16</b>	<b>Buncombe</b>	<b>\$170,000</b>	<b>\$75,000</b>
Henderson County Habitat for Humanity	Dodd Meadows Phase 7 (DPA)	8	Henderson	\$200,000	\$0
City of Asheville	HOME Administration & Planning (Admin)	NA	NA	\$130,963	\$130,963
<b>Total</b>				<b>\$2,844,871</b>	<b>\$1,627,886</b>

Note; Mountain Housing Opportunities, Inc. requested \$1,200,000 to support the 82-unit Deaverview Redevelopment; however, as a result of unresolved open monitoring, MHO was not recommended to receive funding at this time.



# FY 2023 AHSP BUDGET & APPLICATIONS OVERVIEW

Matthew Cable



## FY23 AHSP ANTICIPATED BUDGET

\$2,311,845	FY23 General Fund Transfer (Flat)
+800,000	FY22 AHSP VOA Laurelwood Allocation
+661,500	FY22 Unallocated
+331,196	Unallocated Program Income (March 31)
-220,900	Ferry Road & Downtown Properties Studies
<hr/>	
\$3,883,642	Total FY23 AHSP Budget



## FY23 AHSP BUDGET

\$3,883,642	FY23 AHSP Budget
-9,057,145	FY23 AHSP Applications
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<b>-\$5,173,503</b>	<b>Amount Requested Above Budget</b>



## FY 23 AHSP APPLICATIONS RECEIVED

Priority	Applicant	Type	Request	Total Project Cost	Impact (Units/HH)
2	CDCA (Fairhaven Summit)	New Construction	\$1,250,000	\$19,034,254	77
2	LDG (Monticello Family)	New Construction	\$1,500,000	\$42,646,354	168
2	MHO (Deaverview Redevelopment Phase I)	New Construction	\$1,200,000	\$16,452,879	82
2	MHO (Lakeshore Villas)	New Construction	\$1,200,000	\$24,569,066	120
2	VOA (Laurel Wood)	New Construction/Rehab	\$800,000	\$20,540,269	104
5/1	AAHH (New Heights Phase II)	Downpayment Assistance	\$1,978,000	\$12,853,215	46
5	ABCLT	Downpayment Assistance	\$120,000	\$1,200,000	4
8	AAHH	Emergency Repair Grant	\$470,470	\$1,104,972	77
8	CLM	Emergency Repair Grant	\$213,675	\$334,425	21
8	MHO	Emergency Repair Grant	\$300,000	\$909,043	33
9	HACA	New Start	\$25,000	\$25,000	24
<b>Total</b>			<b>\$9,057,145</b>	<b>\$139,669,477</b>	<b>756</b>


## NEW START GRANT REQUESTS

# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE

## HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

### REQUEST: \$25,000

<b>25</b>	<b>\$1,000</b>	<b>\$1 : \$0</b>	<b>≤50%</b>	<b>0%</b>
Households Served	AHSP Request Per Household	Leverage Ratio AHSP \$ : Other \$	AMI Target	% Admin Cost



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# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE

## HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

### FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Foundational Focus Area:** Resident Well-Being


**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.

**Affordable Housing Goal (New):** Support activities that encourage the use of all vouchers

**Affordable Housing Objective (New):** Not applicable

**AHSP Goal:** Preserve and increase the stock of affordable housing including rental developments.

**AHSP Priority 9:** New Start Program Grants



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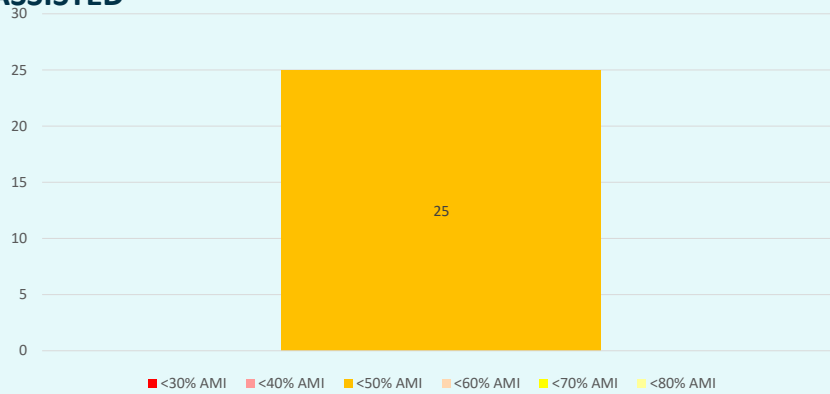
# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

## SUMMARY HIGHLIGHTS

- Incentivize landlords for initial lease-ups with voucher households as well as for their commitment of additional units leased up to voucher households
- Incentives paid out to landlords with qualifying lease-ups upon successful execution of the landlord-tenant lease agreements and the HUD HAP Contracts.

# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

## AMI LEVELS ASSISTED





# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

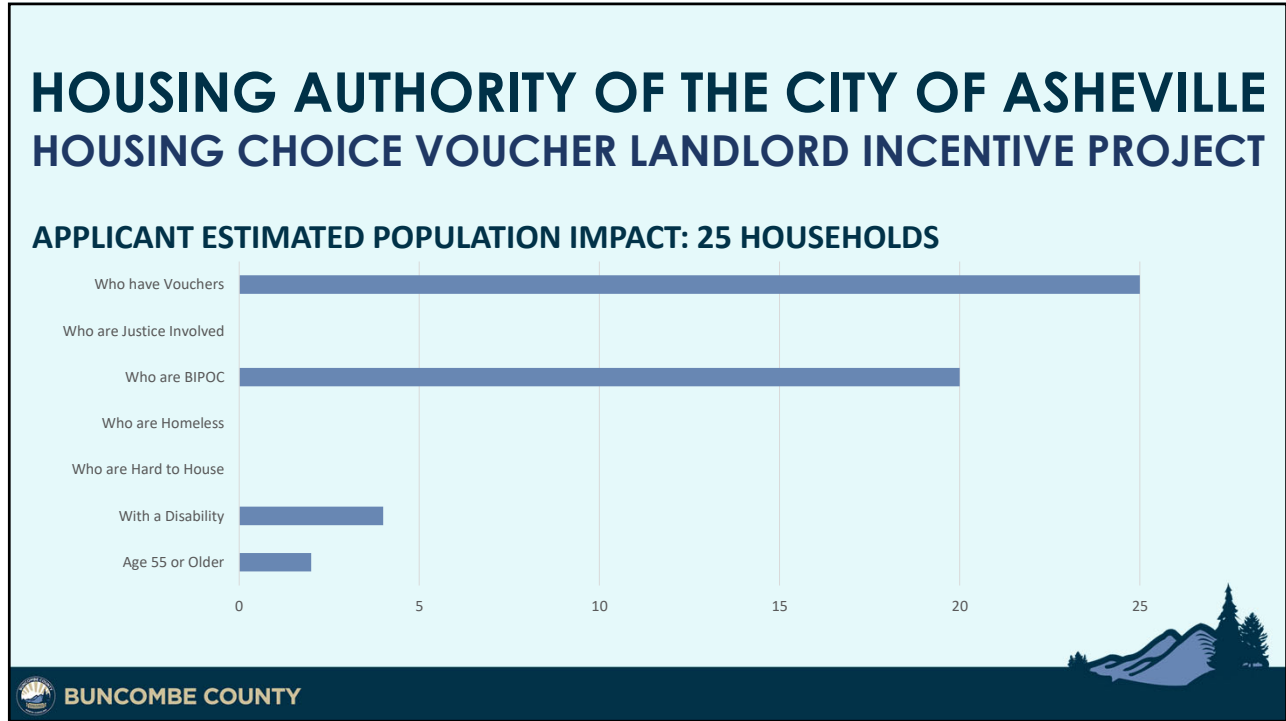
## FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

- HACA provided an audit for the year ended December 31, 2019 (not timely). audit opinion is unmodified, but one deficiency in internal control over major Federal programs was noted. there were no questioned costs related to the finding.
- As of December 31, 2019 = Reasonably healthy financial position.

# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of supporting activities that encourage the use of all vouchers. This project is anticipated to impact 25 households. An objective is not currently stated for this goal.



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# HOUSING AUTHORITY OF THE CITY OF ASHEVILLE HOUSING CHOICE VOUCHER LANDLORD INCENTIVE PROJECT

## COMMUNITY DEVELOPMENT DIVISION STAFF COMMENTS

- Project adheres to the requirements of the FY23 AHSP
- Appears eligible for funding
- Appears ready for implementation July 1, 2022

## RECOMMENDATION

- Consideration of full award is recommended given the ability to create immediate impact to Buncombe County households and to support Housing Choice Vouchers.

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# EMERGENCY REPAIR GRANT REQUESTS



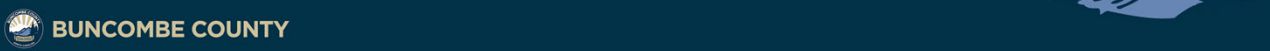
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## ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

### REQUEST: \$470,470

<b>77</b>	<b>\$6,110</b>	<b>\$1.00 : \$1.35</b>	<b>&lt;70%</b>	<b>0.0%</b>
Households Served	AHSP Request Per Household	Leverage Ratio AHSP \$ : Other \$	AMI Target	% Admin Cost



**BUNCOMBE COUNTY**

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# ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

## FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Community Focus Area:** Resident Well Being

**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.

**Affordable Housing Goal (New):** Preserve the supply of naturally occurring affordable housing.

**Affordable Housing Objective (New):** Impact 500 repair units for households at  $\leq 80\%$  AMI by 2030.

**AHSP Goal:** Reduce substandard housing and expand opportunities for home repair.

**AHSP Priority 8:** Emergency Repair Program Grants



# ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

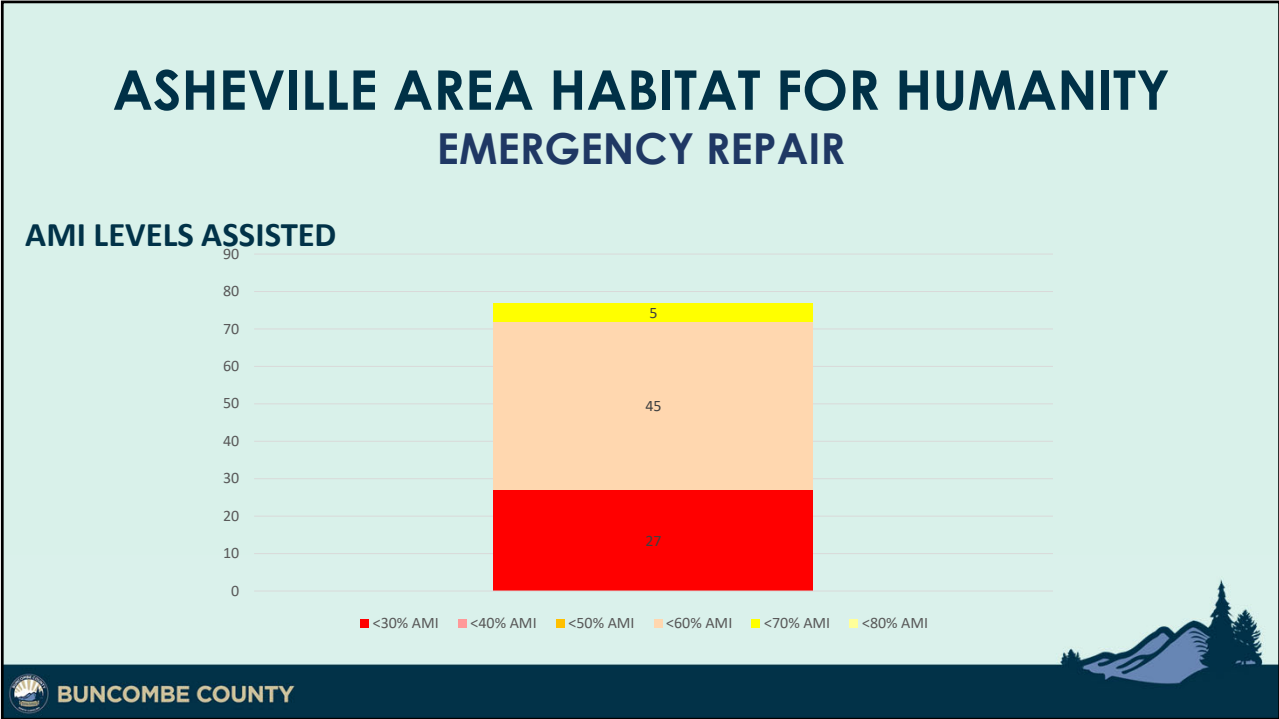
## SUMMARY HIGHLIGHTS

- Repair health and safety issues in 77 homes
- Support an overall project budget of \$1,104,972 (to assist 77 households)
- Waitlist/Needs
  - 66 Existing Waitlist at Application Submittal
  - 37 FY22 AHSP Supported Repairs
  - +80 Additional Applications by FY23 End

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  - 109 Projected Need through FY23 End





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## ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

### FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

- AAHH has timely audits free of qualifications and findings.
- As of June 30, 2021 = Healthy financial position.

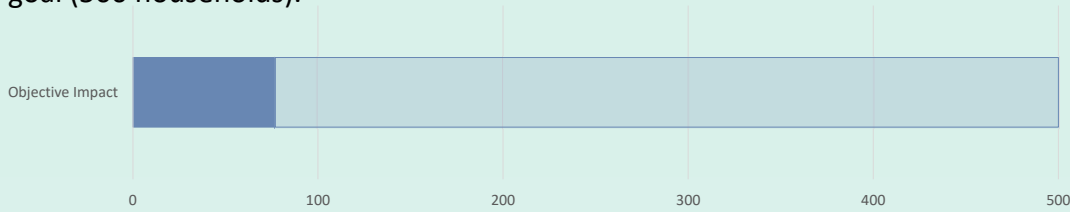
**BUNCOMBE COUNTY**

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# ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

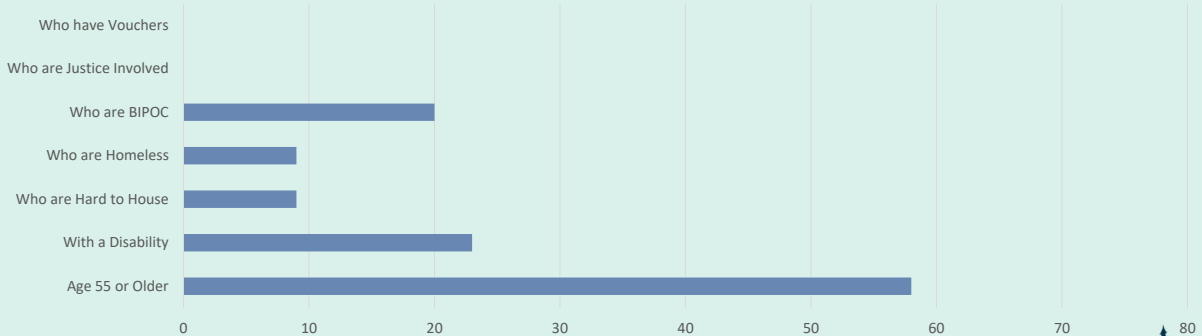
## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of preserving the supply of naturally occurring affordable housing. This project is anticipated to impact 77 households, which represents 15.4% of the stated goal (500 households).



# ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

## APPLICANT ESTIMATED POPULATION IMPACT: 77 HOUSEHOLDS




## ASHEVILLE AREA HABITAT FOR HUMANITY EMERGENCY REPAIR

**COMMUNITY DEVELOPMENT DIVISION STAFF COMMENTS**

- Project adheres to the requirements of the FY23 AHSP
- Appears eligible for funding
- Appears ready for implementation July 1, 2022

**RECOMMENDATION**

- Consideration of full or partial award is recommended given the shovel ready nature of the project and the ability to create immediate impact to Buncombe County households.



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## COLABORATIVA LA MILPA EMERGENCY REPAIR

### REQUEST: \$213,675

<b>21</b>	<b>\$10,175</b>	<b>\$1.00 : \$0.57</b>	<b>&lt;80%</b>	<b>9.1%</b>
Households Served	AHSP Request Per Household	Leverage Ratio AHSP \$ : Other \$	AMI Target	% Admin Cost



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## COLABORATIVA LA MILPA EMERGENCY REPAIR

### FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Community Focus Area:** Resident Well Being

**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.

**Affordable Housing Goal (New):** Preserve the supply of naturally occurring affordable housing.

**Affordable Housing Objective (New):** Impact 500 repair units for households at  $\leq 80\%$  AMI by 2030.

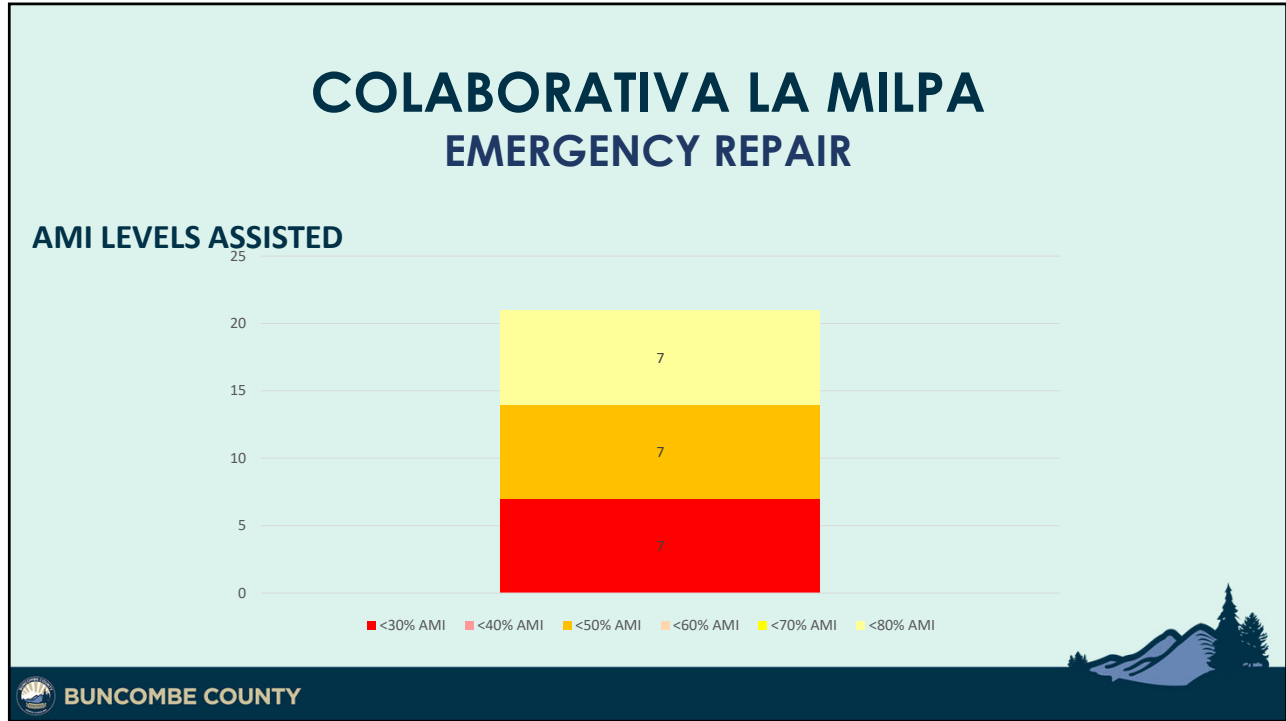
**AHSP Goal:** Reduce substandard housing and expand opportunities for home repair.

**AHSP Priority 8:** Emergency Repair Program Grants

## COLABORATIVA LA MILPA EMERGENCY REPAIR

### SUMMARY HIGHLIGHTS

- Repair health and safety issues in 21 homes
- Support an overall project budget of \$334,425 (to assist 21 households)
- Waitlist/Needs = 40



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## COLABORATIVA LA MILPA EMERGENCY REPAIR

### FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

- CLM did not provide an audit; provided a review of financial statements for the year ended December 31, 2020 with no qualifications.
- As of December 31, 2020 = Reasonably healthy financial position.

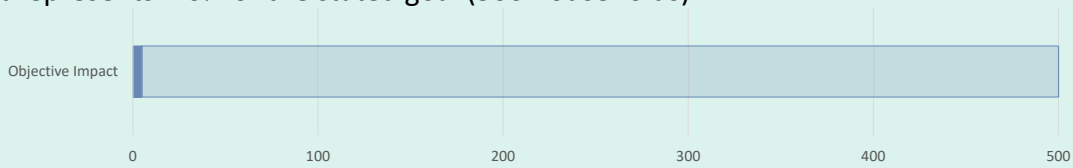
**BUNCOMBE COUNTY**

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# COLABORATIVA LA MILPA EMERGENCY REPAIR

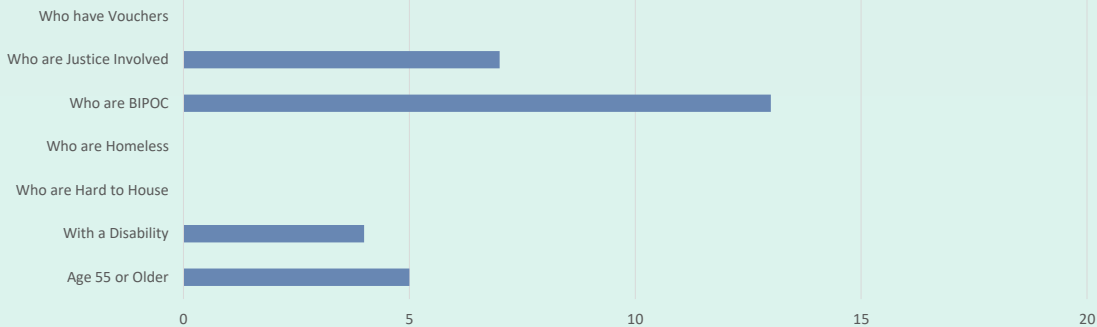
## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of preserving the supply of naturally occurring affordable housing. This project is anticipated to impact 21 households; however, it would only impact 5 households which had not previously received a repair through the AHSP. This 5 household impact represents 1.0% of the stated goal (500 households).



# COLABORATIVA LA MILPA EMERGENCY REPAIR

## APPLICANT ESTIMATED POPULATION IMPACT: 21 HOUSEHOLDS



## COLABORATIVA LA MILPA EMERGENCY REPAIR

### COMMUNITY DEVELOPMENT DIVISION STAFF COMMENTS

- Project adheres to the requirements of the FY23 AHSP
- Appears eligible for funding
- Appears ready for implementation July 1, 2022

### RECOMMENDATION

- Consideration of full or partial award is recommended given the shovel ready nature of the project and the ability to create immediate impact to Buncombe County households.

## MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

**REQUEST: \$300,000**

<b>33</b>	<b>\$9,091</b>	<b>\$1.00 : \$2.03</b>	<b>&lt;50%</b>	<b>4.8%</b>
Households Served	AHSP Request Per Household	Leverage Ratio AHSP \$ : Other \$	AMI Target	% Admin Cost

# MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

## FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Community Focus Area:** Resident Well Being

**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.

**Affordable Housing Goal (New):** Preserve the supply of naturally occurring affordable housing.

**Affordable Housing Objective (New):** Impact 500 repair units for households at  $\leq 80\%$  AMI by 2030.

**AHSP Goal:** Reduce substandard housing and expand opportunities for home repair.

**AHSP Priority 8:** Emergency Repair Program Grants



# MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

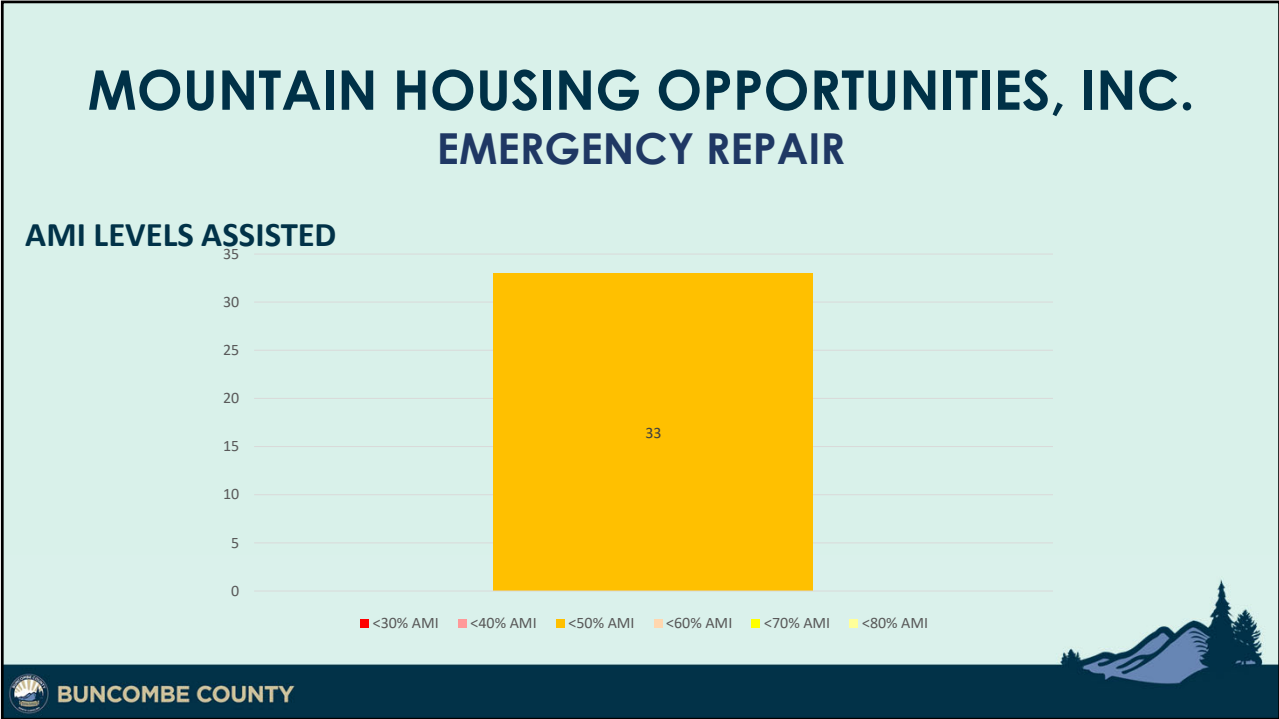
## SUMMARY HIGHLIGHTS

- Repair health and safety issues in 33 homes
- Support an overall project budget of \$909,043 (to assist 100 households)
- Waitlist/Needs
  - 45 Existing Waitlist at Application Submittal
  - 27 FY22 AHSP Supported Repairs
  - +53 Additional Intake by FY23 End

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  - 35 Projected to remain at FY23 End





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## MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

### FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

- MHO has timely audits free of qualifications and findings.
- As of December 31, 2021 = Reasonably healthy financial position.

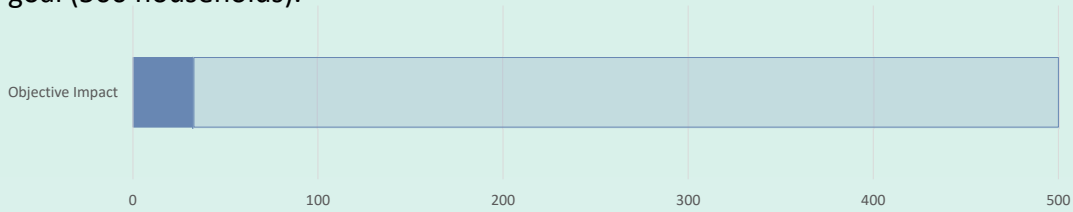
**BUNCOMBE COUNTY**

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# MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

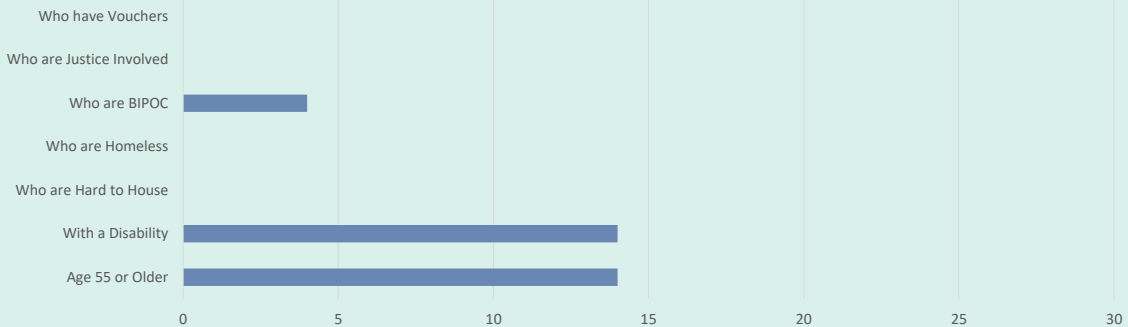
## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of preserving the supply of naturally occurring affordable housing. This project is anticipated to impact 33 households, which represents 6.6% of the stated goal (500 households).



# MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

## APPLICANT ESTIMATED POPULATION IMPACT: 33 HOUSEHOLDS





# MOUNTAIN HOUSING OPPORTUNITIES, INC. EMERGENCY REPAIR

## COMMUNITY DEVELOPMENT DIVISION STAFF COMMENTS

- Project adheres to the requirements of the FY23 AHSP
- Appears eligible for funding
- Appears ready for implementation July 1, 2022

## RECOMMENDATION


- Consideration of full or partial award is recommended given the shovel ready nature of the project and the ability to create immediate impact to Buncombe County households.


# CONSTRUCTION LOAN TO DOWNPAYMENT ASSISTANCE LOAN REQUESTS

## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### REQUEST: \$1,978,000

<b>46</b>	<b>\$43,000</b>	<b>\$1.00 : \$5.50</b>	<b>&lt;80%</b>	<b>&lt;30+yrs</b>
Homes to Be Constructed	AHSP Request Per Unit	Leverage Ratio AHSP \$ : Other \$	AMI Target	Period of Affordability
<b>\$279,418</b>		<b>\$140.88 – \$258.01</b>		<b>1, 2, 3 &amp; 4</b>
Average Cost Per Home		Average Cost Per Square Foot		Bedrooms per Unit




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## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Community Focus Area:** Resident Well Being


**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.


**Affordable Housing Goal (New):** Increase the supply of affordable housing for homeownership, especially for BIPOC households.

**Affordable Housing Objective (New):** Impact 400 ownership units for households at <80% AMI by 2030.

**AHSP Goal:** Preserve and increase the stock of affordable housing including rental developments.

**AHSP Priority 1 & 5:** Construction Loans for Multifamily Developments with Units for Sale; Downpayment Assistance Program Loans




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## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### SUMMARY HIGHLIGHTS

- Infrastructure costs associated with 46 units in New Heights Phase II
- Support an overall project budget of \$12,853,216
- Construction loan transferred to the 46 qualified homebuyers as downpayment assistance
- Homebuyer financing structure:
  - First mortgage
  - AAHH separate soft mortgage to reduce first mortgage
  - Downpayment assistance loan to reduce first mortgage
- Intends to request the same funding through second round FRF (APRA)



BUNCOMBE COUNTY



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## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### REQUESTED EXCEPTIONS TO PROGRAM GUIDELINES:

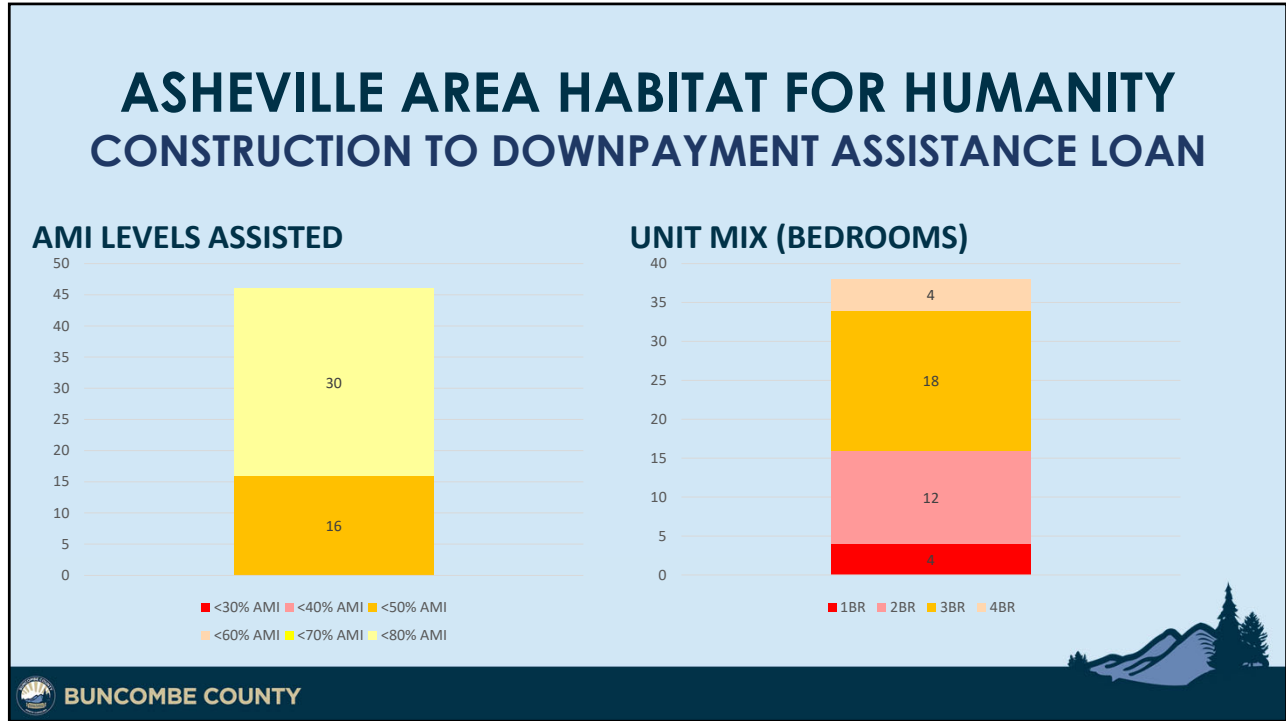
- Requested DPA per unit (\$43,000) / Maximum DPA permitted per unit (\$27,941)
- Anticipated break ground date (March 2023) / Later than AHSP required scheduled break ground date (January 2023)
- Anticipated sale price per unit for two-bedroom units (\$286,000); three-bedroom units (\$292,050); and four-bedroom units (\$298,100) / AHSP prescribed HUD Maximum Sale Price Limit (\$276,000)



BUNCOMBE COUNTY



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## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

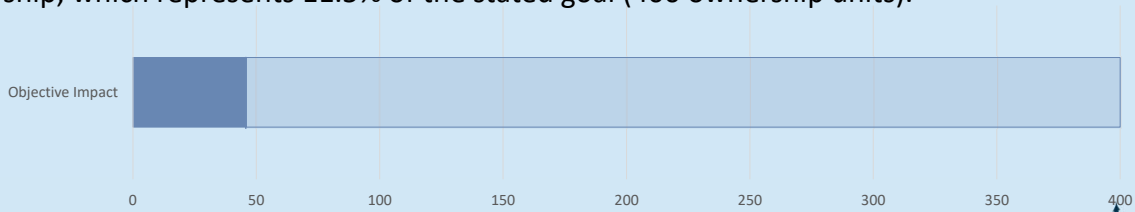
- AAHH has timely audits free of qualifications and findings.
- As of June 30, 2021 = Healthy financial position.

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# ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

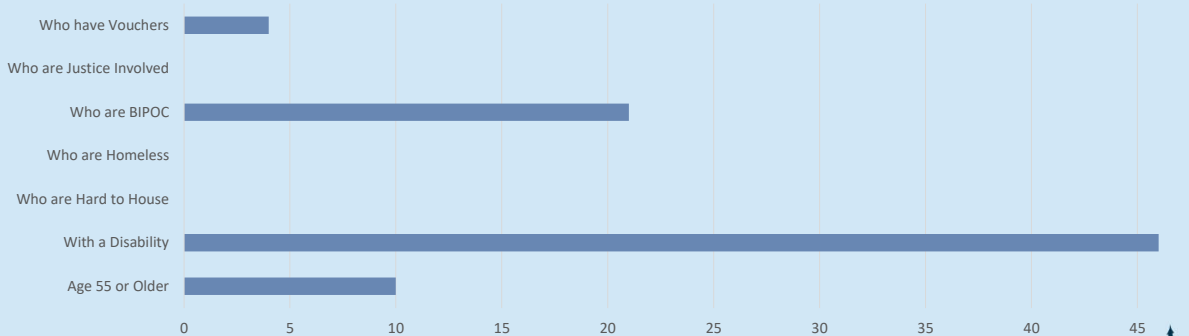
## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of increasing the supply of affordable housing for homeownership. This project is anticipated to create 46 new affordable housing units for ownership, which represents 11.5% of the stated goal (400 ownership units).



# ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

## APPLICANT ESTIMATED POPULATION IMPACT: 46 HOUSEHOLDS



## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### COMMUNITY DEVELOPMENT DIVISION COMMENTS

- Addresses the AHC's highest priority (multifamily ownership)
- Construction loan to downpayment assistance loan allows for potential repayment of funds upon future sale of the homes or continued affordability for future homebuyers.
- To extend an award, must be a willing to provide exceptions to AHSP guidelines including:
  - Allowing a breaking ground date after January 2023; and
  - Allowing sales prices to exceed HUD 2021 Maximum Sales Price Limit (\$276,000)
- Delayed construction start date makes it possible to fund this request in future FY.



BUNCOMBE COUNTY



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## ASHEVILLE AREA HABITAT FOR HUMANITY CONSTRUCTION TO DOWNPAYMENT ASSISTANCE LOAN

### COMMUNITY DEVELOPMENT DIVISION RECOMMENDATION OPTIONS

- Consider maximum award of \$1,285,286 as a construction to downpayment assistance loan
- Consider funding through Buncombe County's Second Phase FRF (ARPA) process (AAHH intends to submit a request for the same level of funding support (\$1,978,000) to FRF)
- Consider this request in FY 24 AHSP (AAHH must reapply in future FY to be considered)



BUNCOMBE COUNTY




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## ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

REQUEST: \$120,000

<b>4</b> <small>Homes to Be Impacted</small>	<b>\$30,000</b> <small>AHSP Request Per Unit</small>	<b>\$1.00 : \$9.00</b> <small>Leverage Ratio AHSP \$ : Other \$</small>	<b>&lt;80%</b> <small>AMI Target</small>	<b>99+</b> <small>Period of Affordability</small>
<b>\$300,000</b> <small>Average Cost Per Home</small>		<b>Unknown</b> <small>Average Cost Per Square Foot</small>		<b>Unknown</b> <small>Bedrooms per Unit</small>



**BUNCOMBE COUNTY**



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## ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

### FOCUS AREA, VISION, GOALS, OBJECTIVES & PRIORITIES ALIGNMENT

**Strategic Plan Community Focus Area:** Resident Well Being


**Strategic Plan Vision:** Our residents are safe, healthy, and engaged in their community.

**Affordable Housing Goal (New):** Increase the supply of affordable housing for homeownership, especially for BIPOC households.


**Affordable Housing Objective (New):** Impact 400 ownership units for households at <80% AMI by 2030.

**AHSP Goal:** Preserve and increase the stock of affordable housing including rental developments.

**AHSP Priority 5:** Downpayment Assistance Program Loans



**BUNCOMBE COUNTY**



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# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

## SUMMARY HIGHLIGHTS

- Acquisition and construction costs of 4 units
- Support an overall project budget of \$1,200,000
- Construction loan transferred to the 4 qualified homebuyers as downpayment assistance
- Downpayment loan will not be repaid as future sale of the home to a non-qualified homebuyer will not be permitted by ABCLT implemented deed restrictions (unless ABCLT does not enact such deed restrictions)

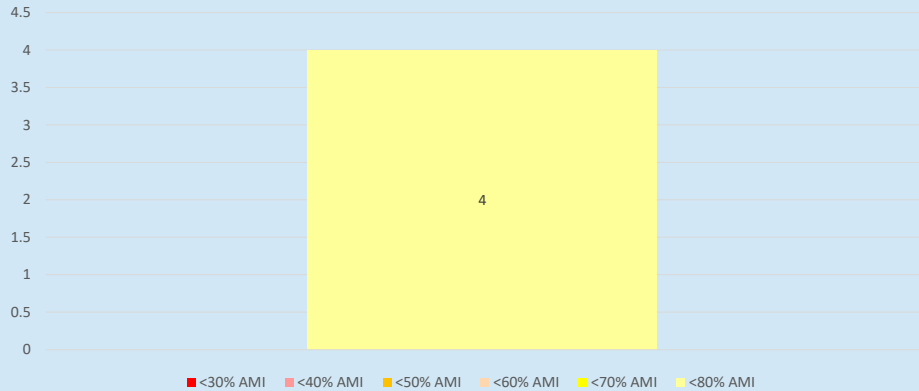
# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

## REQUESTED EXCEPTIONS TO PROGRAM GUIDELINES:

- None

# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

## AMI LEVELS ASSISTED



# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

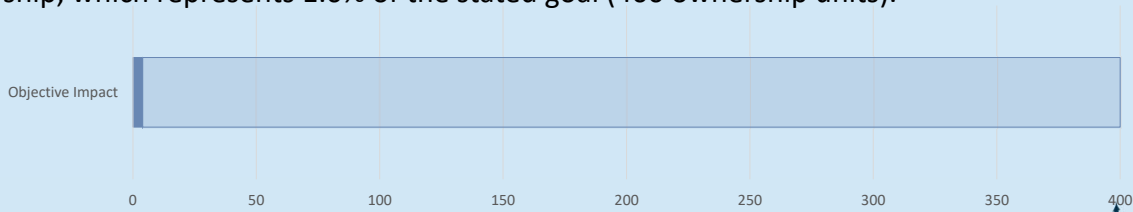
## FINANCIAL DEPARTMENT ASSESSMENT OF AUDITS AND FINANCIAL POSITION

- ABCLT did not provide an audit; provided a review of financial statements for the year ended December 31, 2020, with no qualifications.
- As of December 31, 2020 = Reasonably healthy financial position.
- Notes: A total of 86% of ABCLT’s financial support for 2020 was provided by a single donor. As of December 31, 2020, ABCLT had no active lease agreements.

# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

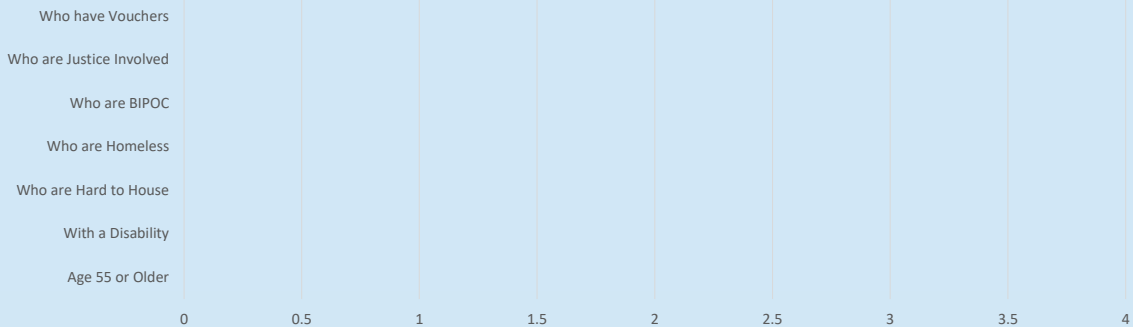
## ALIGNMENT WITH NEW AFFORDABLE HOUSING GOALS AND OBJECTIVES

This project would address the goal of increasing the supply of affordable housing for homeownership. This project is anticipated to create 4 new affordable housing units for ownership, which represents 1.0% of the stated goal (400 ownership units).



# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

## APPLICANT ESTIMATED POPULATION IMPACT: 4 HOUSEHOLDS



# ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST DOWNPAYMENT ASSISTANCE LOAN

## COMMUNITY DEVELOPMENT DIVISION COMMENTS

- Project addresses the AHC’s fifth priority
- Downpayment assistance loan, combined with ABCLT deed restriction, will allow for continued affordability for future homebuyers.

## RECOMMENDATION

- Consideration of a maximum award of up to \$110,400 would be consistent with AHSP guidelines (10% of the HUD maximum sales price (\$276,000) for 4 units)



# NEW CONSTRUCTION/REHAB LOAN FOR MULTIFAMILY DEVELOPMENT REQUESTS PRELIMINARY COMPARISONS



# CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF APPLICANT TYPE

**Project**

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**CDCA Fairhaven Summit\* = For Profit**

LDG Monticello Family = For Profit

MHO Deaverview Redev Phase I = Non-Profit

MHO Lakeshore Villas = Non-Profit

**VOA Laurelwood\* = Non-Profit**

\*Note: Existing Tax Credit Commitment



# NEW CONSTRUCTION/REHAB LOAN FOR MULTIFAMILY DEVELOPMENT REQUESTS EXPENSES

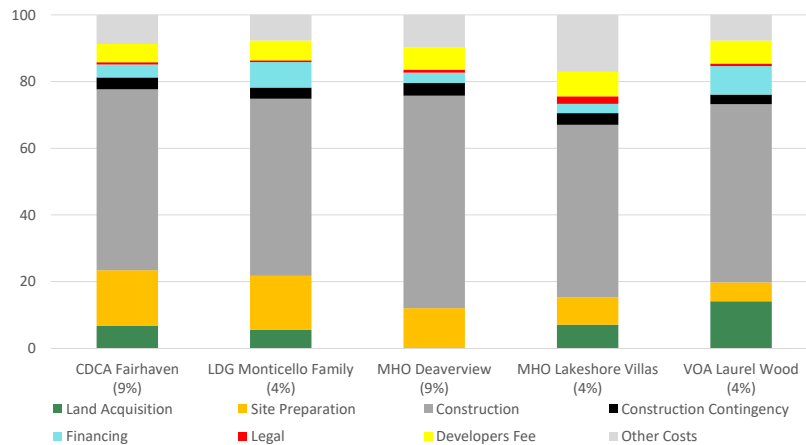


## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF TOTAL PROJECT COSTS

Project	Rank (Costs)	AHSP Request
<b>CDCA Fairhaven Summit* = \$19.0M</b>	<b>4</b>	<b>\$1.25M</b>
LDG Monticello Family = \$42.6M	1	\$1.5M
MHO Deaverview Redev Phase I = \$16.5M	5	\$1.2M
MHO Lakeshore Villas = \$24.5M	2	\$1.2M
<b>VOA Laurelwood* = \$20.5M</b>	<b>3</b>	<b>\$800K</b>

\*Note: Existing Tax Credit Commitment

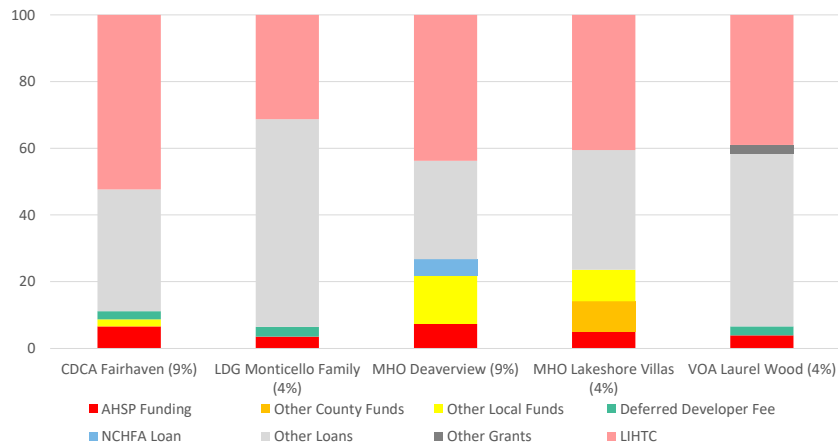
## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF TOTAL PROJECT COST PERCENTAGES



# NEW CONSTRUCTION/REHAB LOAN FOR MULTIFAMILY DEVELOPMENT REQUESTS

## CAPITAL STACK / FUNDING

### CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF FUNDING BY SOURCE PERCENTAGES



## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF TOTAL LOCAL FUNDS

<u>Project</u>	<u>Rank (Local Funds)</u>	<u>AHSP Request</u>
<b>CDCA Fairhaven Summit* = \$1.65M</b>	<b>3</b>	<b>\$1.25M</b>
LDG Monticello Family = \$1.5M	4	\$1.5M
MHO Deaverview Redev Phase I = \$3.6M	2	\$1.2M
MHO Lakeshore Villas = \$3.8M	1	\$1.2M
<b>VOA Laurelwood* = \$800K</b>	<b>5</b>	<b>\$800K</b>

\*Note: Existing Tax Credit Commitment



## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF DEFERRED DEVELOPER FEE

<u>Project</u>	<u>Rank (Deferred Dev Fee)</u>	<u>AHSP Request</u>
<b>CDCA Fairhaven Summit* = \$471K</b>	<b>3</b>	<b>\$1.25M</b>
LDG Monticello Family = \$1.2M	1	\$1.5M
MHO Deaverview Redev Phase I = \$0K	5	\$1.2M
MHO Lakeshore Villas = \$0K	5	\$1.2M
<b>VOA Laurelwood* = \$557K</b>	<b>2</b>	<b>\$800K</b>

\*Note: Existing Tax Credit Commitment

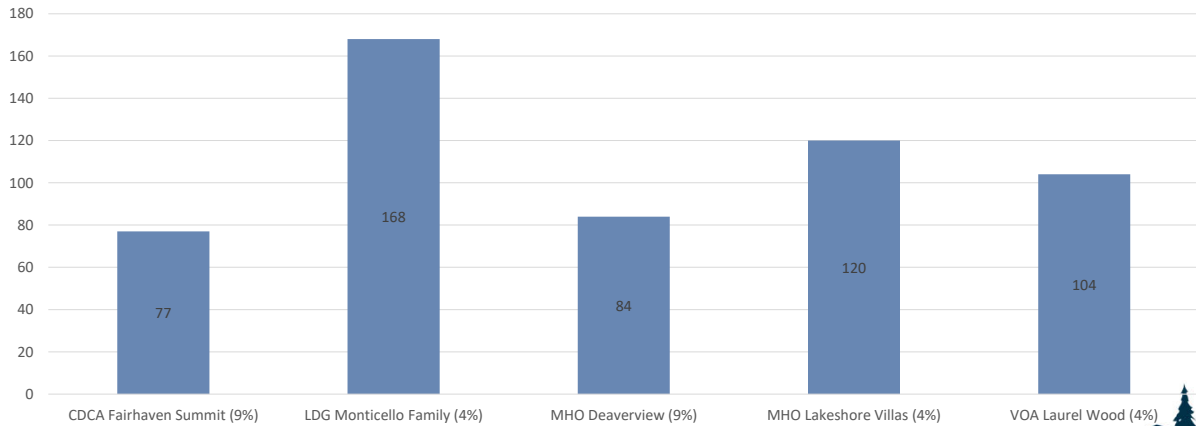




# NEW CONSTRUCTION/REHAB LOAN FOR MULTIFAMILY DEVELOPMENT REQUESTS

## PRODUCT/UNITS

## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF TOTAL UNITS



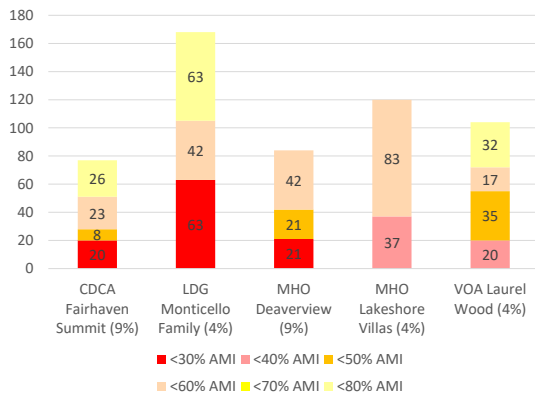
## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF TOTAL UNITS

Project	Rank (# of Units)	AHSP Request
<b>CDCA Fairhaven Summit* = 77</b>	<b>5</b>	<b>\$1.25M</b>
LDG Monticello Family = 168	1	\$1.5M
MHO Deaverview Redev Phase I = 82	4	\$1.2M
MHO Lakeshore Villas = 120	2	\$1.2M
<b>VOA Laurelwood* = 104</b>	<b>3</b>	<b>\$800K</b>

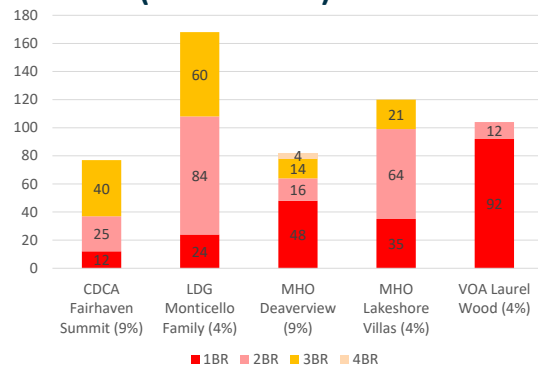
\*Note: Existing Tax Credit Commitment

## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF AMI LEVELS ASSISTED & UNIT MIX

**AMI LEVELS ASSISTED**



**UNIT MIX (BEDROOMS)**



## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF AVERAGE AMI

Project	Rank (Per Avg AMI)	AHSP Request
<b>CDCA Fairhaven Summit* = 58%</b>	<b>4</b>	<b>\$1.25M</b>
LDG Monticello Family = 56%	3	\$1.5M
MHO Deaverview Redev Phase I = 50%	1	\$1.2M
MHO Lakeshore Villas = 54%	2	\$1.2M
<b>VOA Laurelwood* = 59%</b>	<b>5</b>	<b>\$800K</b>

\*Note: Existing Tax Credit Commitment



## CONSTRUCTION/REHAB LOAN REQUEST COMPARISON OF AVERAGE COST PER UNIT

Project	Rank (Per Unit Cost)	AHSP Request
<b>CDCA Fairhaven Summit* = 247K</b>	<b>2</b>	<b>\$1.25M</b>
LDG Monticello Family = \$254K	1	\$1.5M
MHO Deaverview Redev Phase I = \$200K	4	\$1.2M
MHO Lakeshore Villas = \$204K	3	\$1.2M
<b>VOA Laurelwood* = \$198K</b>	<b>5</b>	<b>\$800K</b>


\*Note: Existing Tax Credit Commitment



**COMMONWEALTH DEVELOPMENT CORP. OF AMERICA**  
**FAIRHAVEN SUMMIT CONSTRUCTION LOAN**

**REQUEST: \$1,250,000**

<b>77</b> Units to Be Constructed	<b>\$16,233</b> AHSP Request Per Unit	<b>\$1.00 : \$14.23</b> Leverage Ratio AHSP \$ : Other \$	<b>&lt;80%</b> AMI Target	<b>30 yr</b> Period of Affordability
<b>\$247,198</b> Average Cost Per Unit		<b>\$193.63</b> Average Cost per Unit Square Foot	<b>1, 2, and 3</b> Bedrooms per Unit	

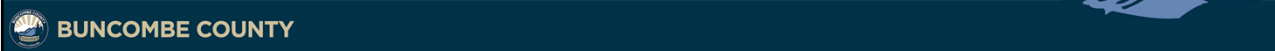


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**LDG MULTIFAMILY, LLC**  
**MONTICELLO FAMILY CONSTRUCTION LOAN**

**REQUEST: \$1,500,000**

<b>168</b> Units to Be Constructed	<b>\$8,929</b> AHSP Request Per Unit	<b>\$1.00 : \$27.43</b> Leverage Ratio AHSP \$ : Other \$	<b>&lt;80%</b> AMI Target	<b>30 yr</b> Period of Affordability
<b>\$253,847</b> Average Cost Per Unit		<b>\$236.56</b> Average Cost per Unit Square Foot	<b>1, 2, and 3</b> Bedrooms per Unit	




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## MOUNTAIN HOUSING OPPORTUNITIES DEAVERVIEW REDEVELOPMENT CONSTRUCTION LOAN

### REQUEST: \$1,200,000

<b>82</b> Units to Be Constructed	<b>\$14,634</b> AHSP Request Per Unit	<b>\$1.00 : \$12.71</b> Leverage Ratio AHSP \$ : Other \$	<b>≤80%</b> AMI Target	<b>30 yr</b> Period of Affordability
<b>\$200,648</b> Average Cost Per Unit		<b>\$247.49</b> Average Cost per Unit Square Foot	<b>1, 2, 3, and 4</b> Bedrooms per Unit	



**BUNCOMBE COUNTY**



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## MOUNTAIN HOUSING OPPORTUNITIES LAKESHORE VILLAS CONSTRUCTION LOAN

### REQUEST: \$1,200,000

<b>120</b> Units to Be Constructed	<b>\$10,000</b> AHSP Request Per Unit	<b>\$1.00 : \$17.55</b> Leverage Ratio AHSP \$ : Other \$	<b>≤80%</b> AMI Target	<b>30 yr</b> Period of Affordability
<b>\$204,418</b> Average Cost Per Unit		<b>\$209.50</b> Average Cost per Unit Square Foot	<b>1, 2, and 3</b> Bedrooms per Unit	



**BUNCOMBE COUNTY**



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## VOLUNTEERS OF AMERICA CONSTRUCTION LOAN

REQUEST: \$800,000

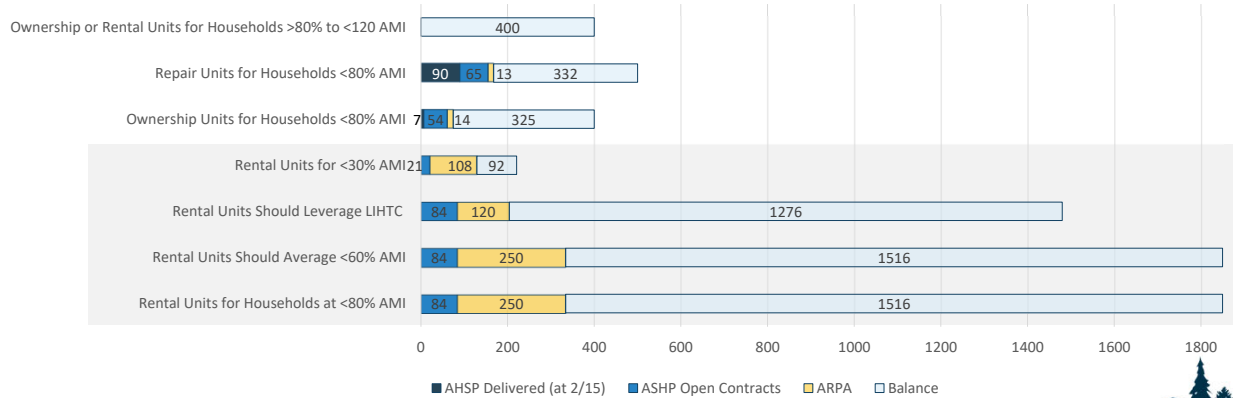
<b>104</b> Units to Be Constructed	<b>\$7,692</b> AHSP Request Per Unit	<b>\$1.00 : \$24.68</b> Leverage Ratio AHSP \$ : Other \$	<b>&lt;80%</b> AMI Target	<b>30 yr</b> Period of Affordability
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<b>\$197,503</b> Average Cost Per Unit	<b>\$306.93</b> Average Cost per Unit Square Foot	<b>1 and 2</b> Bedrooms per Unit
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## FY 23 AHSP APPLICATIONS RECEIVED

Priority	Applicant	Type	Request	Total Project Cost	Impact (Units/HH)
2	CDCA (Fairhaven Summit)	New Construction	\$1,250,000	\$19,034,254	77
2	LDG (Monticello Family)	New Construction	\$1,500,000	\$42,646,354	168
2	MHO (Deaverview Redevelopment Phase I)	New Construction	\$1,200,000	\$16,452,879	82
2	MHO (Lakeshore Villas)	New Construction	\$1,200,000	\$24,569,066	120
2	VOA (Laurel Wood)	New Construction/Rehab	\$800,000	\$20,540,269	104
5/1	AAHH (New Heights Phase II)	Downpayment Assistance	\$1,978,000	\$12,853,215	46
5	ABCLT	Downpayment Assistance	\$120,000	\$1,200,000	4
8	AAHH	Emergency Repair Grant	\$470,470	\$1,104,972	77
8	CLM	Emergency Repair Grant	\$213,675	\$334,425	21
8	MHO	Emergency Repair Grant	\$300,000	\$909,043	33
9	HACA	New Start	\$25,000	\$25,000	24
<b>Total</b>			<b>\$9,057,145</b>	<b>\$139,669,477</b>	<b>756</b>

## EXISTING FUNDED PROJECTS vs AFFORDABLE HOUSING GOALS



## FY23 AHSP BUDGET

\$3,883,642 FY23 AHSP Budget

-9, 057,145 FY23 AHSP Applications

**-\$5,173,503 Amount Requested Above Budget**

# NEXT STEPS

AHC Meeting Date	Discussion Topic / Event
April 5	Review of AHSP Applications
April 19	Review of AHSP Applications; Discuss Recommendations Re: Allocations and Budget
April 27	AHSP Recommendations Finalized

Future Items: Bylaws; Recipient presentations



# ANNOUNCEMENTS



# PUBLIC COMMENT



# ADJOURN

