



# Affordable Housing Subcommittee

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*Presented by*

Andrew Mayronne

Matthew Cable

Amanda Stratton

Don Warn



# Agenda

- ✓ Call to Order & Welcome
- ✓ New Business
  - Workforce Housing Information – Matthew Cable & Amanda Stratton (10 mins)
  - LIHTC Project Profile – Andrew Mayronne (10 mins)
  - Funding Strategies – Don Warn (50 mins)
  - Input on Goals – Sybil Tate (10 mins)
- ✓ Next Steps
- ✓ Announcements
- ✓ Public Comment
- ✓ Adjourn



# Workforce Housing



# Workforce Housing

- Buncombe County Workforce Housing Policy
- Buncombe County Community Oriented Development

Category	Need
80-120% AMI	904
<b>TOTAL</b>	<b>904</b>



# Employer-Sponsored Program Examples

## Biltmore Bridge Program (managed by OnTrack)

- Program Basics:
  - Monthly payment to landlord/mortgage company/child care provider
  - Eligible for 3 years
- Employee Requirement:
  - Must be employed for a year (some part time positions are eligible)
  - Must save 25% of employer contribution
  - Classes and counseling
- Employer Contribution:
  - Calculated using HUD standards
  - Typically between \$100-1,000/month

## Biltmore Passport to Property Program (managed by OnTrack)

- Program Basics:
  - Matching funds for down payments
- Employee Requirement:
  - Must be employed full time for two years
  - Classes and counseling
  - Household income limits
- Employer Contribution:
  - Up to \$4,500
  - Matches \$3 for every \$1 saved by employee



# 4% LIHTC Project Profiles



# 4% LIHTC Profile: Primavera (2020)



**Location:** Raleigh, NC

**Developer:** DHIC, Inc.

**Total Units:** 164

**Restricted to Seniors 55+ Units:** 164

**Set Aside Special Needs Population Units:** 33

**Total Local Subsidy:** \$7,400,000

**Per Unit Local Subsidy:** \$45,122.95 per unit

Funding Source	Total Amount	Per Unit Amount	Percent of Cost
Private Debt	\$14,757,000	\$89,981.71	45.0%
LIHTC Equity	\$9,836,865	\$59,980.88	30.0%
Wake County	\$3,000,000	\$18,292.68	9.2%
City of Raleigh	\$4,400,000	\$26,829.27	13.4%
Deferred Fee	\$788,793	\$4,809.71	2.4%
<b>Total</b>	<b>\$32,782,658</b>	<b>\$199,894.26</b>	<b>100.0%</b>



# 4% LIHTC Profile: Beacon Ridge (2018)



**Location:** Raleigh, NC

**Developer:** DHIC, Inc.

**Total Units:** 120

**Restricted to Seniors 55+ Units:** 0

**Set Aside Special Needs Population Units:** 12

**Total Local Subsidy:** \$7,077,000

**Per Unit Local Subsidy:** \$58,975.00 per unit

Funding Source	Total Amount	Per Unit Amount	Percent of Cost
Private Debt	\$8,750,000	\$72,916.67	37.0%
LIHTC Equity	\$7,393,680	\$61,614.00	31.2%
Wake County	\$2,477,000	\$20,641.67	10.5%
City of Raleigh	\$4,600,000	\$38,333.33	19.4%
Deferred Fee	\$459,131	\$3,826.09	1.9%
<b>Total</b>	<b>\$23,679,911</b>	<b>\$ 197,332.59</b>	<b>100.0%</b>





# 4% LIHTC Key Takeaways

1. Municipality is 2<sup>nd</sup> largest lender in each project profiled
2. County is the 3<sup>th</sup> largest lender in each project profiled
3. County assumes 3<sup>rd</sup> position for repayment, impacting program income (principal/interest) and schedule of payments (revenue deferment)



# Funding Strategies





# Debt Financing for Affordable Housing

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*Presented by*

Donald Warn

Finance Department



# Debt for Affordable Housing

- ✓ Statutory authority is required for any debt financing
- ✓ **159-48(c)** Each county may borrow money and issue its bonds under this Article in evidence of the debt for the purpose of, in the case of subdivisions (1) through (4b) of this subsection, paying any capital costs of any one or more of the purposes and, in the case of subdivisions (5) and (6) of this subsection, to finance the cost of the purpose:
- ✓ **(6)** Providing housing projects for persons of low or moderate income, including *construction or acquisition of projects to be owned by a county*, redevelopment commission, or housing authority and the *provision of loans, grants, interest supplements, and other programs of financial assistance to these persons*. A housing project may provide housing for persons of other than low or moderate income if at least forty percent (40%) of the units in the project are exclusively reserved for persons of low or moderate income. **No rent subsidy shall be paid from bond proceeds.**



# Available Debt Options

- Housing authority revenue bonds
  - City of Asheville is the Housing Authority
  - If you envision doing a project in partnership with a third-party developer, the housing authority option doesn't work well
- General Obligation G.O. Bonds
  - Requires voter referendum
  - Backed by the full faith and credit on the County
    - The County is obligated to levy taxes and raise other revenues to pay the debt service



# Hypothetical General Obligation Affordable Housing Bonds, Series 2023

Issue \$50,000,000 Par Amount.

Preliminary, Market Rates as of September 3, 2021

Delivery Date	2/1/2023
Last Maturity	2/1/2043
All-In True Interest Cost (TIC)	1.61%
Par Amount	\$50,000,000
Bond Proceeds	\$57,531,200
Total Interest	\$15,975,000
Total Debt Service	\$65,975,000
Maximum Annual Debt Service	\$ 4,375,000
Average Annual Debt Service	\$ 3,298,750



# Hypothetical Debt Service Schedule

Period Ending	Principal	Interest	Total Debt Service
6/30/2024	2,500,000	1,875,000	4,375,000
6/30/2025	2,500,000	1,750,000	4,250,000
6/30/2026	2,500,000	1,625,000	4,125,000
6/30/2027	2,500,000	1,500,000	4,000,000
6/30/2028	2,500,000	1,375,000	3,875,000
6/30/2029	2,500,000	1,250,000	3,750,000
6/30/2030	2,500,000	1,125,000	3,625,000
6/30/2031	2,500,000	1,000,000	3,500,000
6/30/2032	2,500,000	875,000	3,375,000
6/30/2033	2,500,000	750,000	3,250,000
6/30/2034	2,500,000	625,000	3,125,000
6/30/2035	2,500,000	500,000	3,000,000
6/30/2036	2,500,000	400,000	2,900,000
6/30/2037	2,500,000	325,000	2,825,000
6/30/2038	2,500,000	281,250	2,781,250
6/30/2039	2,500,000	237,500	2,737,500
6/30/2040	2,500,000	190,625	2,690,625
6/30/2041	2,500,000	143,750	2,643,750
6/30/2042	2,500,000	96,875	2,596,875
6/30/2043	2,500,000	50,000	2,550,000
	<u>50,000,000</u>	<u>15,975,000</u>	<u>65,975,000</u>



# Hypothetical Debt Service Schedule

Period Ending	Principal	Interest	Total Debt Service	Value of 1/2 of a penny	Loan Repayments	Variance
6/30/2024	2,500,000	1,875,000	4,375,000	2,400,000	0	(1,975,000)
6/30/2025	2,500,000	1,750,000	4,250,000	2,400,000	0	(1,850,000)
6/30/2026	2,500,000	1,625,000	4,125,000	2,400,000	0	(1,725,000)
6/30/2027	2,500,000	1,500,000	4,000,000	2,400,000	604,000	(996,000)
6/30/2028	2,500,000	1,375,000	3,875,000	2,400,000	612,080	(862,920)
6/30/2029	2,500,000	1,250,000	3,750,000	2,400,000	812,242	(537,758)
6/30/2030	2,500,000	1,125,000	3,625,000	2,400,000	1,080,000	(145,000)
6/30/2031	2,500,000	1,000,000	3,500,000	2,400,000	1,080,000	(20,000)
6/30/2032	2,500,000	875,000	3,375,000	2,400,000	1,080,000	105,000
6/30/2033	2,500,000	750,000	3,250,000	2,400,000	1,080,000	230,000
6/30/2034	2,500,000	625,000	3,125,000	2,400,000	1,080,000	355,000
6/30/2035	2,500,000	500,000	3,000,000	2,400,000	1,080,000	480,000
6/30/2036	2,500,000	400,000	2,900,000	2,400,000	1,080,000	580,000
6/30/2037	2,500,000	325,000	2,825,000	2,400,000	1,080,000	655,000
6/30/2038	2,500,000	281,250	2,781,250	2,400,000	1,080,000	698,750
6/30/2039	2,500,000	237,500	2,737,500	2,400,000	1,080,000	742,500
6/30/2040	2,500,000	190,625	2,690,625	2,400,000	1,080,000	789,375
6/30/2041	2,500,000	143,750	2,643,750	2,400,000	1,080,000	836,250
6/30/2042	2,500,000	96,875	2,596,875	2,400,000	1,080,000	883,125
6/30/2043	2,500,000	50,000	2,550,000	2,400,000	1,080,000	930,000
6/30/2044	0	0	0	0	1,064,258	1,064,258
<b>Total</b>	<b>50,000,000</b>	<b>15,975,000</b>	<b>65,975,000</b>	<b>48,000,000</b>	<b>18,212,580</b>	<b>237,580</b>





# General Obligation Debt Issuance Schedule

## GENERAL OBLIGATION BOND REFERENDUM NOVEMBER 2022

- 5/17/22 Board adopts (1) Resolution directing publication of notice of intent to apply to the Local Government Commission (the “LGC”); (2) Resolution authorizing the Finance Officer to apply to the LGC and making certain findings of fact
- 5/18/22 Publish Notice of Intent in *Asheville Citizen-Times* [have to wait 10 days after publication of Notice of Intent before applying to the LGC]
- 5/30/22 File Application with LGC and prepare Sworn Statement of Debt [receive notice from LGC confirming receipt of Application which must occur before the Bond Orders are introduced]
- 6/7/22 File Statement of Estimated Interest
- 6/7/22 Board (1) Introduces the Bond Order(s); (2) adopts the Resolution setting a public hearing on the Bond Order(s)
- 6/8/22 File Notice with Joint Legislative Commission



# General Obligation Debt Issuance Schedule

- 7/9/22 Publish Notice(s) of Public Hearing on the Bond Order(s) in *Asheville Citizen-Times* [at least 6 days before public hearing]; File Sworn Statement of Debt with the Clerk
- 7/21/22 Board (1) holds public hearing(s) on Bond Order(s); (2) adopts the Bond Order(s); and (3) adopts the Resolution setting a Special Bond Referendum
- 7/22/22 Clerk delivers certified copy of the Resolution setting a Special Bond Referendum to the County Board of Elections
- 7/22/22 Publish Bond Order(s) as adopted in *Asheville Citizen-Times*
- 8/5/22 Date the ballot gets printed
- 9/7/22 LGC approval of Bond Order(s) [or LGC might do this in August or October]
- 9/22/22 Publish first Notice of Special Bond Referendum in *Asheville Citizen-Times* [Not less than fourteen days before last day to register to vote for Bond Referendum]
- 9/29/22 Publish second Notice of Special Bond Referendum in *Asheville Citizen-Times* [Not less than seven days before last day to register to vote for Bond Referendum]



# General Obligation Debt Issuance Schedule

10/7/22 Last day to register to vote

11/1/22 Referendum

11/11/22 Adoption of Certificate of Canvass by the County Board of Elections

**12/6/22 Board adopts Resolution Certifying and Declaring Results of Special Bond Referendum**

12/7/22 Publish Statement of Result in *Asheville Citizen-Times*

2/28/23 Debt issued



**Questions?**



# Goal Setting



# Draft Goal Outline

Buncombe County will support development of X units of affordable **rental** housing by 20XX.

Buncombe County will support development of X units of **“for sale”** affordable housing by 20XX.

## Application Recommendation:

- Required reporting on impact to Senior population
- Required reporting on impact to minority homeownership

Category	Need
<30% AMI	1,124
30%-50% AMI	1,044
51%-80% AMI	1,030
80-120% AMI	904
<b>TOTAL</b>	<b>4,102</b>

Category	Need
<80% AMI	845
80-120% AMI	2,673
<b>TOTAL</b>	<b>3,518</b>



# NEXT STEPS



Meeting Date	Discussion Topic
October 19, 1pm	<b><i>Finalize New Construction and Rental Goals</i></b>
Nov. 2, 1pm	Program Review and Application Review
Nov 16, 1pm	Budget/Contract Discussion; <b>Staff goal implementation plan/goal revisions</b>
December 7, 1pm	Final Application Review



# ANNOUNCEMENTS



# PUBLIC COMMENT



# ADJOURN

