

# SOLICITATION FOR MASTER DEVELOPMENT PARTNER

FERRY ROAD SITE | ASHEVILLE | BUNCOMBE COUNTY | NC



SCHOOL OF  
GOVERNMENT

Development  
Finance Initiative



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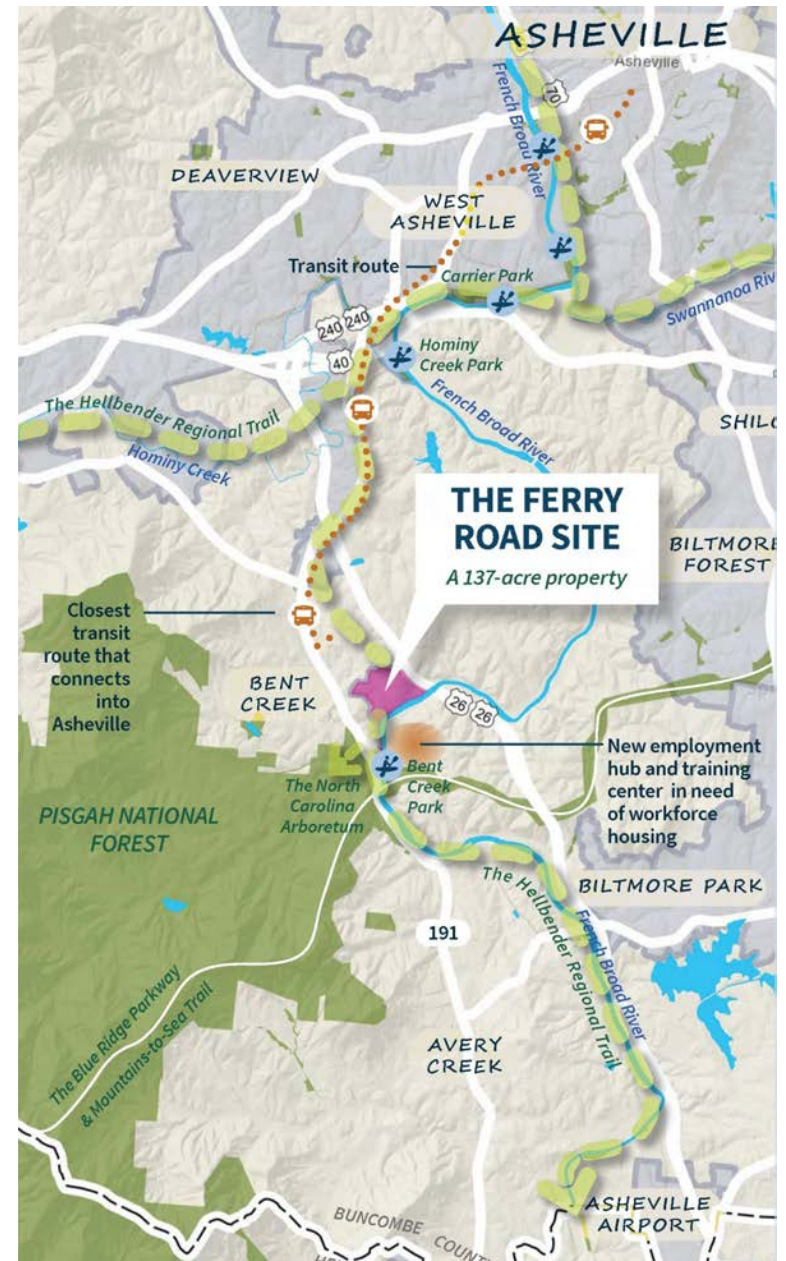
# ABOUT THIS SOLICITATION

Buncombe County, NC, is pleased to release this Solicitation for a Master Development Partner (SMDP) for the development of a County-owned site at 1568 Brevard Road in South Asheville, known as the “Ferry Road Site.” The County seeks a qualified and experienced Master Development Partner (MDP) to realize its vision for an equitable, unified, mixed-income residential community on roughly 65 acres. The private development will sit within 70+ acres of conserved land along the French Broad River featuring pristine woods, high bluffs with views of the river, and greenway connections to regional trail systems. Co-locating development and conservation of the 137-acre site will meet the County’s goal for a sustainable and equitable community that balances conservation and growth. Responses are due August 9, 2024.

This document is an invitation for experienced MDPs to present proposals for review and consideration by Buncombe County. Proposals should outline how the MDP and its development partners and team intend to execute on the County’s vision for the site and demonstrate their ability and commitment to do so.

The Development Finance Initiative (DFI) at UNC Chapel Hill’s School of Government (SOG) is available to help MDPs and their partners understand the community’s vision for this first-of-its-kind mixed-income community and the County’s requirements for development of the Ferry Road Site. This solicitation process will culminate in the selection of a Master Development Partner and the negotiation of one or more development service agreements for public-private partnerships pursuant to North Carolina law, subject to the MDP’s ability to execute the County’s vision for a cohesive, unified residential community.

Prior to releasing this SMDP, the County, with assistance from DFI, spent 18 months completing significant pre-development to ensure the project and the proposed public-private partnership is supported by the community, endorsed by the Buncombe Board of County Commissioners (“BOC”), and financially feasible for development partners.



Ferry Road site location and context  
PIN 96361038600000

## Estimated Pre-Development Timeline

Aug. 9, 2024	Master Development Partner proposals due
Sep. - Oct. 2024	Buncombe County Board of Commissioners select MDP
Feb. - Mar. 2025	County and MDP execute a Memorandum of Understanding (MOU)
Mar. 2025	MDP begins pre-development
End of 2025	County and MDP execute Development Agreement



Rendering of County's vision for single-family homes

## GUIDING PUBLIC INTERESTS

A critical component of the County's pre-development process was extensive community engagement and the identification of "guiding public interests" – the publicly-supported goals that the BOC expects to achieve through the Ferry Road development in partnership with its selected MDP. These interests stem from [County-wide strategic planning](#) and were refined through an extensive community engagement process. Initially, Equinox Environmental, an ecological consulting, planning, and design firm engaged by Buncombe County to assist in the pre-development process, created various high-level concepts including commercial, industrial, and various residential concepts to gauge community preferences. Given the feedback received, the BOC narrowed in on their priorities for environmental conservation and a unified residential community that will provide a mix of rental and homeownership opportunities within various housing types, including multifamily, missing middle, and single-family, with the majority at affordable and middle-income price points. The BOC also emphasized a desire for community-oriented commercial services.

The following guiding public interests summarize the full scope of the County's goals for the site.

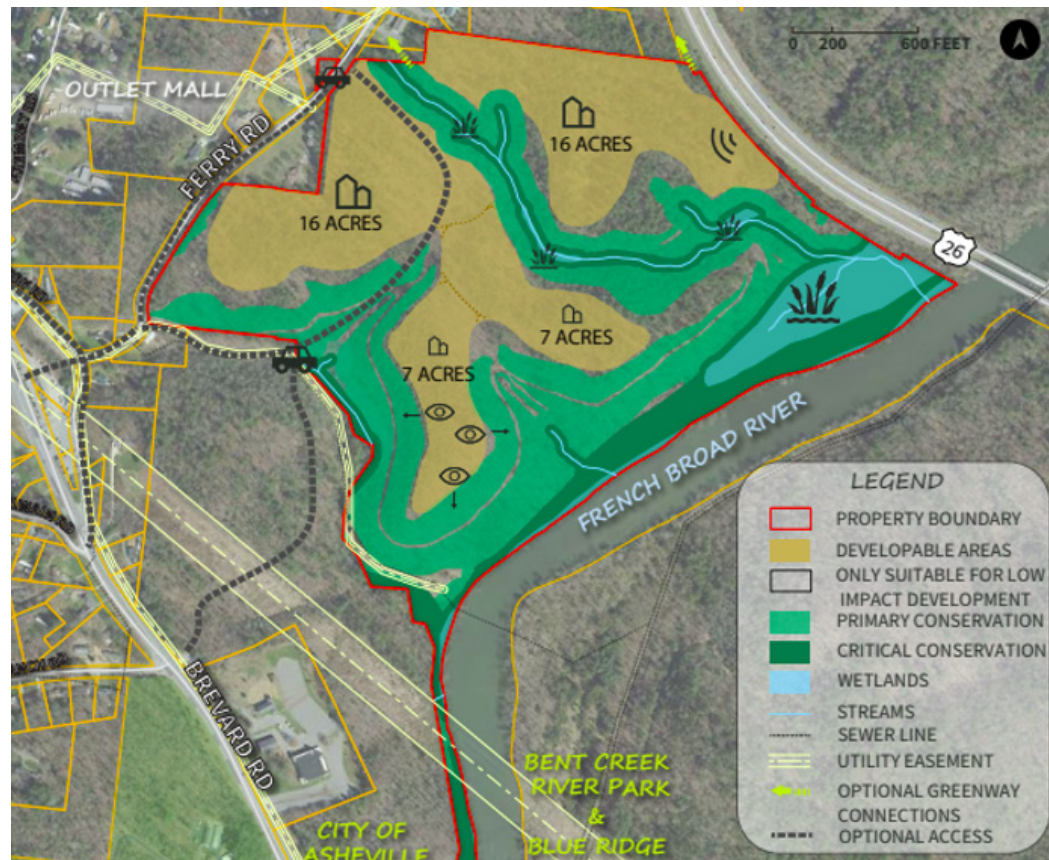
Development of the Ferry Road Site should:

- Create a diverse, mixed-income, multi-generational community;
- Be a model for sustainability and stewardship by conserving at least 55% of the site's natural resources;
- Be a hub and connector for recreational opportunities and provide equitable access to residents;
- Provide equitable transportation access and prioritize pedestrians and bicyclists;
- Include commercial or service-oriented uses that are "harmonious" with residential uses; and
- Optimize public investment and attract private investment.

# PRE-DEVELOPMENT TO DATE AND DFI'S ROLE

The opportunity, detailed below, was refined through an extensive pre-development process led by Buncombe County that began in early 2021 in partnership with technical experts including Equinox Environmental, DFI, Lord Ack Sargent (LAS), Transportation Planning and Design (TPD), and WSP Engineering. The initial analysis included a Phase 1 Land Use Plan to identify primary and secondary conservation zones, and robust engagement to determine the guiding public interests for development outside these zones. The pre-development team also secured conditional zoning through the City of Asheville (detailed below in “Potential Public-Private Partnership”).

The County’s engagement process and materials shared with the community and BOC throughout the pre-development process are archived at [publicinput.com/ferryroad](https://publicinput.com/ferryroad).



Equinox Phase 1 Suitability Assessment

DFI was engaged in August 2022 to perform a detailed pre-development feasibility analysis to arrive at the recommended development plan. DFI provides specialized finance and development expertise to local governments to assist them in attracting private investment for transformative projects. DFI has been engaged in more than 200 projects representing more than \$1 billion of current and planned investment in communities across North Carolina, Virginia, and South Carolina.

The analysis included:

- **Community Engagement:** Engaged stakeholders, including neighbors, the broader community, and potential partners to refine guiding public interests, set parameters for development, and build momentum.
- **Market Assessment:** Assessed the supply and demand for potential uses: market rate and affordable residential, childcare, retail, and office.
- **Site Assessment:** Worked closely with Equinox Environmental and Lord Ack Sargent to understand the physical and regulatory constraints of the site to determine the potential road network, distribution of uses, density, and orientation.
- **Financial Feasibility:** Projected development costs, capital sources, and cash flows to ensure development feasibility. Identified potential level and type of public participation to facilitate an approach that best meets the guiding public interests.

DFI's pre-development to date and ongoing role will benefit the Master Development Partner and its team selected by the BOC by significantly reducing the time, effort, expense, and overall risk required to determine feasibility, conduct due diligence, move the project through the City of Asheville's entitlement process, and identify the County's preferences and the potential type and scale of public participation. The County has therefore agreed in a contract fully executed on August 5, 2022 that the developer selected following the Solicitation for Master Development Partner pays a fee equal to 1% of the total development cost to SOG as part of any development services agreement related to the development of the project site. An alternative payment schedule for payment of the Development Services Fee to SOG may be developed as mutually agreed in writing by Developer and SOG; by way of illustration only, such schedule of payments could include deferring payment of the fee until closing on construction financing for the Project. The terms of the fee are further described in Appendix B of this document.

# THE OPPORTUNITY



**Ferry Road site plan**

*Note: This is a conceptual site rendering meant to relay intent and character for how the community is developed.*

of greenways and trails adjacent to the French Broad River and the Pisgah National Forest. The greenways and trails will be developed and managed by Buncombe County Recreation Services and connect to existing trail systems and the North Carolina Arboretum, with easy access to the Blue Ridge Parkway. The main access will be directly from Brevard Road and constructed by the County, along with necessary improvements to the secondary access along Ferry Road.

Buncombe County, in collaboration with a Master Development Partner, seeks to leverage County-owned property in South Asheville—the Ferry Road Site—to facilitate the development of a truly unified mixed-income, multi-generational residential community centered on a neighborhood green and community-oriented commercial services such as childcare and health care facilities, with unique access to abundant natural resources and pocket parks throughout.

The property allows for 65 acres of private residential development for approximately 645 households of all ages and income levels in a variety of housing types and with opportunities for both rental units and home ownership. More than half of the apartments and single-family homes will be reserved for low- and moderate-income (LMI) households. The residences will be surrounded by over 70 acres of conserved land protecting tributaries and an ecologically significant wetland, with nearly four miles

**Ferry Road proposed road network**



Buncombe County and the pre-development team tested the potential of the site and identified a financially feasible development plan that meets the County’s guiding public interests as described on page 2. The Master Development Partner and its partners are encouraged to propose their own development approach and aesthetic, but should use the program and plan approved by the BOC as a frame of reference for use, density, and affordability levels that meet the guiding public interests. A successful proposal will demonstrate that the proposed plan can be achieved without requiring more County participation than outlined in the section titled “Potential Public-Private Partnership.” Developers are not required to engage members of the pre-development team.

The property (located within city limits) was fully entitled through the City of Asheville on March 26, 2024, to enable the development program described in this solicitation, which includes a conservation area and four privately-held residential and community services districts, distinguished as districts due to site layout and topography considerations. The County’s vision, above all else, is not for the development of four disparate “projects,” but for a cohesive community purposefully conceived by the MDP to ensure residents of all incomes and housing types feel at home throughout the neighborhood by way of unified design, pedestrian and trail connections, common amenities, and a strong, shared sense of neighborhood identity.



Map of proposed community districts

District	Proposed Ownership	Use
1 Public Conversation Area	Public	Approx. 70 acres of conserved, recreational land
2 & 3 Multifamily Development	Private (via ground lease or sale)	Est. 530 multifamily units. Approx. 270 restricted to LMI households.
4 Low-to-Medium-Density Homeownership	Private (via sale)	Est. 115 single-family attached and detached homes. Approx. 50 restricted to low-income households.
5 Central Community Area	Private (via ground lease or sale)	22,000 SF commercial space for community-oriented uses such as childcare/healthcare and a community green.



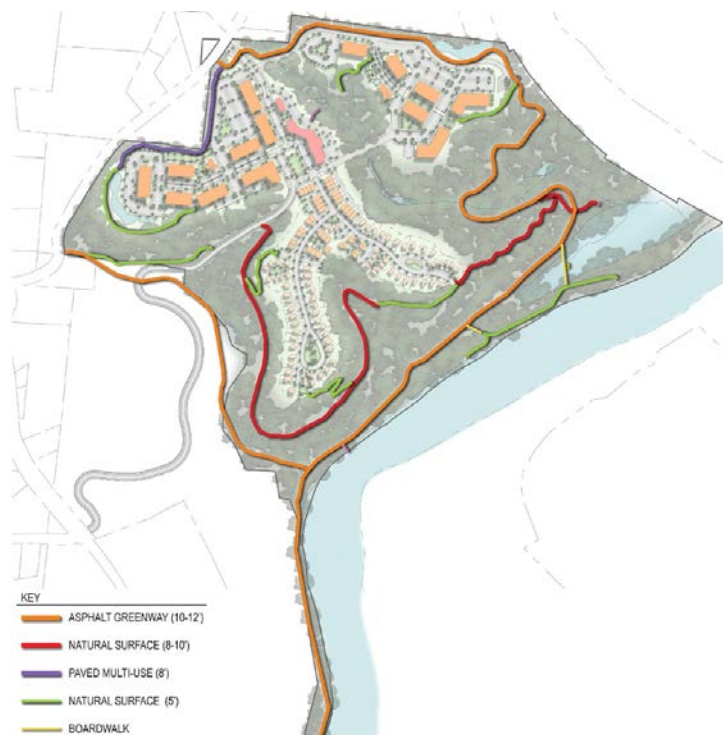
## District 1: Public Conservation Area



Spotted salamander on site

A distinguishing feature of the Ferry Road community will be the preservation of, and access to, the property's abundant natural resources for residents and visitors. Buncombe County Recreation Services will retain ownership of approximately 70+ acres of the Ferry Road Site that feature an ecologically significant wetland, 5,500 linear feet of French Broad River tributaries, and 5,200 linear feet of French Broad River frontage. The designated conservation area hosts a broad diversity of wildlife, such as the spotted salamander and potentially river otters. The area's wetlands provide a crucial ecological function, naturally manage stormwater, and host an array of species. Forested slopes frame views of the French Broad River, provide habitat, and keep sediment out of the river.

The County will install an estimated 1.9 miles of greenways and contribute to 1.7 miles of trails through the conservation area and overall site. The recreation system will connect to the private development with three on-site trailheads for community and public access, including an estimated 20 parking spaces to allow for non-resident access.



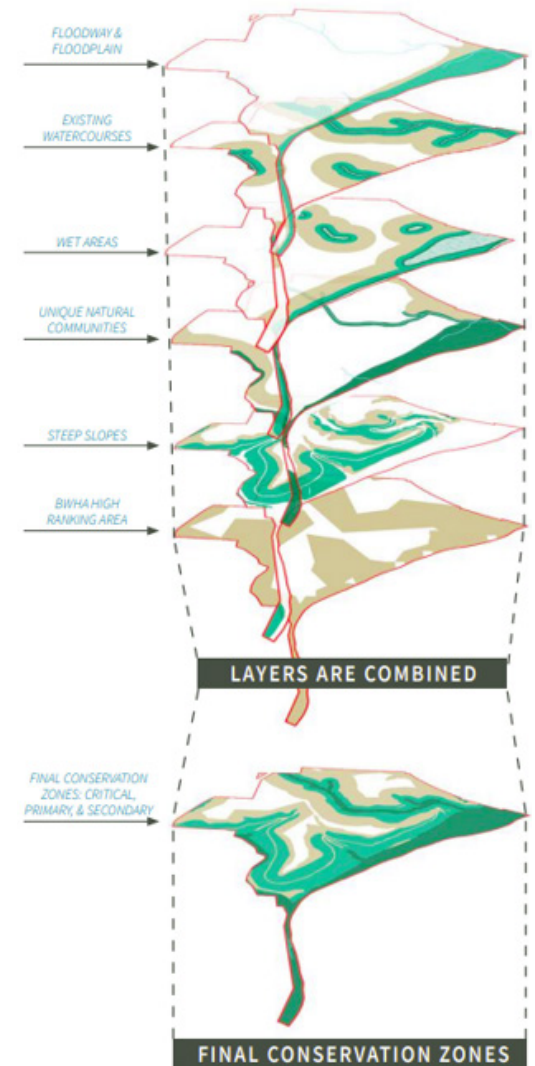
Ferry Road proposed greenway system



Evidence of otters on site



Trout lily on site



Layering of environmental assets to determine final conservation zones

## Districts 2 and 3: Multifamily Development

Across District 2 and 3, the County seeks an MDP that can facilitate partnerships for both Low-Income Housing Tax Credit (LIHTC) multifamily development and unrestricted market-rate multifamily development, totaling approximately 645 multifamily rental units. The preference is for a mix of bedroom sizes among the income restricted and unrestricted developments. The County is prepared to provide development capital to ensure the affordability of approximately 270 rental units for households earning between 20% and 80% of the Area Median Income (AMI) for a minimum of 30 years. At least 20% of LIHTC units should be reserved for households earning less than 30% AMI with the average income for the property not to exceed 60% AMI. The 270 units allow for two LIHTC developments, a family project with approximately 200 units and a senior development with roughly 70 units. Once the affordable unit threshold is met, the balance of multifamily units can be unrestricted, market-rate units. The County estimates the Ferry Road Site could support an additional 260 multifamily units with a maximum of four stories and a parking ratio of 1.5 spaces per unit.



Map of districts 2 and 3 for multifamily development

DFI and the County understand that, from a feasibility perspective, the market-rate and LIHTC multifamily components are typically



Example of 4-story multifamily  
Highlands Lodge, Overland Park, KS



Example of 3-story multifamily  
Boulder View Apartments, Boulder, CO

developed as separate projects in order to secure financing. The County, however, strongly prefers proposals in which development partners will collaborate to distribute LIHTC and market-rate buildings in relatively even proportions across the two multifamily districts to create a truly unified, residential community. No rental units, restricted affordable or unrestricted market-rate, can discriminate against applicants based on their source of income.

## District 4: Low-to-Medium-Density Homeownership

The County's vision calls for an estimated 115 owner-occupied residences comprised of a mix of detached and attached single-family homeownership options, with 50 homes of various sizes and density reserved for low-income households. The County seeks an approach that will ensure the homes remain affordable long-term for future homeowners. Proposals should distribute the low-income units throughout the district and avoid concentrations of affordable or market-rate units. The topography of District 4 enables a transition from medium density types, such as townhomes and duplexes, to lower density single-family homes. Although this district could support higher density than the proposed 115 units, the County prefers a minimum of 45 single-family detached lots to ensure a mix of housing types and limit the impervious areas adjoining the conservation area.

This plan also includes 29 cottage court homes (approximately 600 SF each) clustered around a shared public space. This housing type was included as one solution to provide market-rate homes naturally affordable to middle-income households earning between 80-100% AMI but the County welcomes MDP proposals that consider other, non-subsidized, approaches to "naturally" affordable housing for approximately 30 middle-income households.



Map of District 4 for homeownership



Examples of medium density housing types (duplex, multiplex, townhomes)

Examples of low-density housing types (cottages and single-family detached)

## District 5: Central Community Area

The County's vision calls for a privately-held, community green accessible to all community residents for gathering, events, and other programming. Adjacent to the community green is roughly 22,000 SF of commercial space intended to accommodate community service-oriented uses, such as childcare and healthcare facilities. The MDP will be responsible for securing appropriate tenants. The County requires development of the site to include a central community gathering area available for public use.

### Other Important Plan Considerations

- All components of this development must be under a single community-wide brand. The County expects the building design, signage, sidewalks, etc., to be of consistent quality and aesthetic across the districts, visually uniting the Ferry Road site as one, cohesive community.
- All districts should include outdoor amenities, such as pocket parks, that remain accessible to all residents of the community, and provide direct access to the County's trail system.
- The LIHTC component must be included in the first phase of the overall site development.
- The District 4 homeownership phasing plan must provide for the development of the affordable units concurrently (or nearly concurrently) with unrestricted units. The phasing plan will also provide for some flexibility on phasing to account for differences in financing sources, economies of scale, and infrastructure availability.
- The City of Asheville water and sewer systems have sufficient capacity to service the envisioned density.



Central community area and potential commercial space footprint



Rendering of County's vision for community green

# POTENTIAL PUBLIC-PRIVATE PARTNERSHIP

Buncombe County seeks financially feasible proposals from MDPs that maximize private investment. The County understands, however, that a development of this scale, on this site, with a large number of units with restricted rents and sale values, would not be possible without significant public participation. Further, the BOC's legal authority to convey property and participate in development is based primarily on the degree of benefit to LMI households. Therefore, the BOC has made preliminary commitments for the direct benefit of the LMI households that will reside in this community:

1. Sale or ground lease of property to Master Development Partner (exact structure and process to be determined based on individual proposals and Buncombe County's legal authority to convey property<sup>1</sup>):
  - The County intends to collect a nominal rate for portions of the plan that are restricted to households earning 80% AMI or below.
  - Given the envisioned level of unrestricted, market-rate units, County expects fair market value for the property will exceed \$3.2 million.
2. Favorable loans for Tax-Exempt Bond/LIHTC development per unit affordable and restricted to LMI households for a minimum of 30 years. County investment not to exceed \$85,000 per LMI unit or \$22 million<sup>2</sup>.
3. Direct investment in a portion of shared infrastructure, including internal roads and stormwater, that will have a direct benefit to LMI households in the LIHTC development and allow the MDP to convey fully prepared (cleared and graded, utility connections, etc.) plats at no cost for affordable homeownership. County investment<sup>3</sup> not to exceed \$5 million.
4. The County plans to install the primary access road that connects the site to Brevard Road as well as make necessary improvements to Ferry Road. The new Brevard Road access will follow Complete Streets guidelines and be maintained by NCDOT. The primary access road requires an easement from the adjacent property owner, Biltmore Farms, that has made a preliminary commitment to provide the easement.
5. Buncombe County Recreation Services will install and maintain the network of greenways and trails running through the conservation area which will connect to the private development, in coordination with the MDP.

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1 Property conveyance for housing development is anticipated to rely on one or more of N.C. General Statute 160D-1312, subject to a community development plan primarily for the benefit of households earning 80% local area median income or below, and N.C. General Statute 160D-1311(b) and G.S. 157-9, to support housing projects where at least 20% of the units are reserved for households earning 60% local area median income or below. Property conveyance for commercial space is anticipated to be made pursuant to N.C. General Statute 158-7.1(d) or other relevant authority.

2 This capital investment is anticipated to be made pursuant to N.C. General Statute 160D-1311(b) and G.S. 157-9, for housing projects where all units are reserved for households earning 80% local area median income or below.

3 This capital investment is anticipated to be made pursuant to a reimbursement agreement authorized by N.C. General Statute 153A-451 or other relevant authority.

## Zoning

The project was fully entitled by the City of Asheville on March 26, 2024, with a legislative process known as conditional zoning. While it is site plan specific, the conditions allow for flexibility in the overall design, massing, layout, etc. Adhering to the conditions of this entitlement along with the development agreement will assure administrative phased reviews of the project components. As long as MDP conforms with all required elements of this plan, developers should not need to return to the Asheville City Council for amendments.

## Key Financial Assumptions

Based on construction costs and market conditions, and the expectation that the lending environment will stabilize in the next two years, DFI made a series of assumptions to estimate the level of private debt and equity the development could likely secure. The level of public participation was then estimated based on any gaps in funding and the need for additional sources of low-cost capital. Interest rates at the time of financial modeling exceeded 7.5% for non-HUD guaranteed loans.

### Land Development

- Total land development cost of \$22.5 million. The cost estimate includes:
  - Total site acquisition: \$3.2 million
  - Primary infrastructure and overall site features: \$17.5 million
    - Includes clearing and mass grading, stream crossings, stormwater measures, internal roads, etc., as well as central community green, community landscaping, and signage.
    - Includes general contractor profit and overhead and hard cost contingency.
  - Soft costs: \$1.8 million
    - Includes development fee and financing costs.
  - If MDP is not the developer or an owner on individual projects, DFI estimated sales revenue for all ready-to-build pads of approximately \$13 million.

### Affordable Homeownership

- DFI estimated the cost of construction ranging from \$190,000 per cottage court (average 600 SF) to \$380,000 per single-family detached home (average 1,600 SF), including acquisition of prepared lots.

- The 50 lots reserved for low-income households should be conveyed at a nominal cost to affordable home builder (if the developer/builder is not the MDP).
  - Additional fundraising by affordable homebuilder likely required.

## LIHTC Multifamily

DFI assumed the following to estimate the funding gap on the Tax-Exempt Bond/LIHTC development:

### Sources and Uses

- Estimated development cost per unit: \$295,000.
- The site meets the threshold for site suitability to access multifamily tax-exempt bonds and receive a 4% LIHTC award according to the NC Housing Finance Agency's (NCHFA) 2024 Qualified Allocation Plan. The surrounding neighborhood is a low-density residential neighborhood with moderately-priced homes on large lots. A qualified grocer with pharmacy is located within two miles of the site.
  - Estimated LIHTC equity pricing: \$0.92.
- The property is located in a Difficult Development Area and receives a 30% boost in tax credits.
- Both the family and senior LIHTC developments can be completed through a single bond issuance.
- 20% of developer fees deferred.

### Income

- Average monthly rent collected per unit with a mix of 45% one-, 45% two-, and 10% three-bedroom: \$1,020.
- Assumed 20% of units reserved for households earning less than 30% AMI would have Project-Based Vouchers (PBVs) attached by the Housing Authority of the City of Asheville (HACA).
  - DFI blended PBVs at the County's regular payment standard with Rental Assistance Demonstration (RAD) PBV given the site's location in an area with a lower concentration of poverty and guidance from HACA.
    - Assumed average blended monthly rent from PBVs excluding utilities is \$1,300.

## Market-Rate Homeownership and Rental

DFI's financial analysis determined that market-rate developments, both rental and homeownership, are feasible in this market. DFI estimates that a multifamily development with at least 250 units will meet typical investor return expectations and home sales will exceed expected profit margins.

- Multifamily market rents are projected to exceed \$2.05 per SF.
- Assumed a 5.5% cap rate for multifamily development based on recent transactions.
- With 20% profit margin, single-family detached lots would need to sell for minimum of \$440,000. Market comps support sale of homes for more than \$500,000.

## Additional Financial Considerations

Each individual property owner, both multifamily development and individual homes, is expected to contribute to the operation and management of communal areas (not including the 70+ conserved acres). Creation of a homeowners' association and execution of common area agreements will be required.

All due diligence conducted by the County and its pre-development team, including zoning materials and financial assumptions, as well as CAD files, etc., for the outlined development plan is available to potential MDPs by e-mailing Sarah Odio at [odio@sog.unc.edu](mailto:odio@sog.unc.edu).



Rendering of County's vision for single-family detached homes and pocket park



# SUBMISSION PROCESS

Master Development Partner proposals are due at 5:00 p.m. EDT on August 9, 2024. Proposals must be submitted electronically in PDF format to Sarah Odio at [odio@sog.unc.edu](mailto:odio@sog.unc.edu) and Timothy Love at [timothy.love@buncombecounty.org](mailto:timothy.love@buncombecounty.org)

Proposals must be prepared in conformance with the guidelines described under “Submission Requirements.” The e-mail subject must be “Master Development Partner: Buncombe County Ferry Road.”

Proposals received after the deadline will not be considered.

All responses are subject to public disclosure under the North Carolina Public Records Law. DFI recognizes that respondents must submit financial information that it may deem confidential and proprietary to comply with the requirements of this solicitation. To the extent permissible by law, DFI agrees to keep confidential any confidential proprietary information included in a response, provided that (1) the respondent identifies the confidential proprietary portions of the response, (2) the respondent identifies as confidential and proprietary only those portions of the submittal that are confidential and proprietary, and (3) the respondent states why protection is necessary. Respondents shall not designate their entire response as confidential and proprietary, nor shall they so designate information that is already public.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to [odio@sog.unc.edu](mailto:odio@sog.unc.edu). The e-mail subject must be “PROTECTED: Master Development Partner: Buncombe County Ferry Road.”

For information concerning the procedure for responding to this Solicitation for Master Development Partners (SMDP), clarifications of the terms, conditions, and requirements of this SMDP, and/or to request supporting information (including all due diligence), please e-mail Sarah Odio, Associate Director, DFI, at [odio@sog.unc.edu](mailto:odio@sog.unc.edu).

# EVALUATION CRITERIA AND SELECTION PROCESS

Buncombe County and DFI will review proposals with the goal of identifying a qualified Master Development Partner with a plan and the experience to best meet the identified guiding public interests. The Buncombe County Board of County Commissioners will endorse the selection of an MDP based on the proposals, analyses by DFI and County staff, and any and all information requested. The BOC endorsement will trigger a period of negotiation between the County and MDP for a Memorandum of Understanding (MOU) to be followed by a master development agreement.

A successful proposal in response to this solicitation will demonstrate the following:

- Alignment with the public interests listed in the section titled “Guiding Public Interests.”
- Qualifications and experience of the Master Development Partner with preference given to those with experience with the type and scale of land development proposed in the response.
- Qualifications and experience of development partners identified by the MDP for individual projects within the community. For example,
  - If LIHTC partner, proof of development partner’s eligibility for LIHTC awards in North Carolina.
  - If affordable homeownership, experience qualifying low-income households for homeownership and stewarding a community of affordable homes.
- Positive references from local governments who previously partnered with the MDP or its development partners.
- Ability to deliver the type and scale of development outlined in the “The Opportunity” and create a unified, mixed-income community.
- Ability to execute the overall master development within a reasonable timeline.
- Inclusion of assumptions that reflect market conditions.
- Ability to adhere to the MWBE requirement of North Carolina’s Minority Business Participation Goals (§ 143 128.2) and Buncombe County’s Procurement Policy (see Appendix C).

Competitive proposals will satisfy the above evaluation criteria. The following elements are preferred but not required:

- Incorporation of proven alternative construction methods that could reduce the required public participation while maintaining the quality and sustainability of the development.
- Use of “green built” rather than conventional construction methods. “Green Built” refers to LEED v4. BD+C silver certification (see Appendix C) and/or adherence to the Department of Energy’s Zero Energy Ready Home (ZERH) Program.
- Experience with, or identification of, a potential partner with experience implementing a model for affordable homeownership that can maintain the affordability of homes for at least 30 years.
- Identification of a stormwater strategy consistent with the County’s 2043 Comprehensive Plan: Hazards and Resilience policy (see Appendix C).

DFI and the County reserve the right to request additional information and arrange interviews after the solicitation period has ended. Development teams may not submit additional information after the August 9, 2024 deadline, unless requested.

# SUBMISSION REQUIREMENTS

MDPs should organize their submission in the format with numbering described below. Please provide the requested information in appropriate detail to allow adequate review and evaluation. Any information that a respondent requests remain confidential should be sent under a separate cover (see above “Submission Process”).

## Proposal

### A. LAND DEVELOPMENT APPROACH

#### 1. Summary

Summary of Master Development Partner’s approach to executing the proposed development plan including a phasing plan for the individual projects.

#### 2. Site Plan

Site plan should include:

- a. Internal roads by type and location and type of stormwater solutions.
- b. Distribution of uses by type, density, and tenure.
  - i. Define boundaries of individual projects including income-restricted and market-rate components.
- c. Type and location of community amenities, including potential connections of internal trails to County greenway system.
- d. Distribution of parking.

#### 3. Financial Assumptions

Development, financing, and operating assumptions that support feasibility of proposed land development approach, including:

- a. Sources and Uses.
  - i. If public participation is anticipated for land development, specify the structure and amount, and demonstrate direct benefit to LMI households.
- b. Acquisition price.
- c. Earnest money deposit – propose amount and terms.
- d. If including any of the preferred, but not required, elements in “Evaluation Criteria”, indicate how the approach is accounted for in the financial model.
  - i. For proposals incorporating “green built” methods, the proposal should identify the use, if any, of available rebates, incentives and tax credits.

#### **4. Timeline**

Proposed timeline for key pre-development and development milestones. Timeline should include finalization of development team for all individual projects, preliminary LIHTC application submission, financial closings, ground breaking, and total plan buildout. Indicate whether proposed timeline under “Estimated Timeline for Key Agreements” is feasible; if not, propose alternative timeline. Indicate development team’s availability to undertake the project and adhere to the timeline.

#### **5. Preliminary Community Operations Plan**

Preliminary operating, maintenance, and programming plan for the shared community area, and potential homeowners’ association (HOA) structure.

#### **6. Additional Elements**

If proposing to meet any of the preferred criteria, provide a detailed description of the approach and commitments.

### **B. PRELIMINARY PROJECT DEVELOPMENT PROGRAMS. FOR EACH INDIVIDUAL PROJECT (INCLUDING LIHTC, MARKET-RATE MULTIFAMILY, HOMEOWNERSHIP, ETC.) INCLUDE:**

#### **1. Building Program**

- a. Total number of units by unit type.
- b. Average unit size by unit type.
- c. If affordable, number of units by unit type and income level served.
  - i. Indicate minimum number of years for income restriction
- d. Estimate of parking spaces required per unit.

#### **2. Project-Specific Amenities**

Identify amenities provided for a) residents of the individual project and b) accessible to all Ferry Road community residents.

#### **3. Financial Assumptions**

Provide:

- a. Expected rents or sale values by unit type and affordability (restricted and unrestricted).
- b. Detailed list of sources and uses. In addition,
  - i. Projected terms and rates for each funding source, including required investor return hurdle rates (submit investor expectations as confidential).
  - ii. If public participation is anticipated, propose the public investment structure and amount and provide financial analysis to demonstrate why type and level of participation is necessary.
- c. Potential calculation for participation in shared management of access roads and community green.

4. For District 4, homeownership, a detailed plan for attracting and qualifying potential low-income homeowners. Include proposal for maintaining long-term affordability.

## Qualifications

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### C. LETTER OF INTRODUCTION

Include a summary of the respondent's qualifications, experience, and reasons for interest in this opportunity. Special attention should be given to a clear statement outlining how the MDP's experience and proposal aligns with the guiding public interests. The letter must be signed by a principal or authorized officer of the entity.

### D. MASTER DEVELOPMENT PARTNER EXPERIENCE AND REFERENCES

1. List of three to five recent and completed projects (preferably in the last ten years) relevant to proposed plans. Include the following information:
  - a. Location and name of project (preference for projects in North Carolina).
  - b. Development team members, including architects/designers and general contractors.
  - c. Scope and scale of development program.
  - d. Photos/illustrations of completed project.
  - e. Total development budget by use.
  - f. Sources, including governmental sources.
  - g. Financing partners.
2. Most recent example, if any, of the development team's experience executing public-private partnerships.
  - a. Include all information requested above in section D (1). It can also be satisfied as one of the projects provided above, unless project was completed more than ten years ago.
  - b. Contact information for a representative of the primary public agency partner in the project.

### E. MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE (MWBE)

1. If available, MDP's MWBE policy.
2. If available, historical MWBE performance, particularly for projects listed in section D (1).
3. Proposed MWBE goals and strategy to achieve goals.

## **F. DEVELOPMENT TEAM EXPERIENCE**

1. Identification of partner firms and role in execution of the overall plan. Include individual project developers or co-developers, architects/designers, and potential general contractor or subcontractors, if known.
2. Overview of each firm on the team, including brief history of firm, licensure, past experience working with the developer, and relationship of the firm's parent company with the office responsible for this project, if applicable.
3. For development partners on individual projects, include three examples of projects completed in the last three years. Include all of the information requested in D (1).
4. For partner undertaking LIHTC development, documentation of firm's eligibility for LIHTC awards in North Carolina and identification of likely management team.

## **G. DISCLOSURE AND EVIDENCE OF FINANCIAL STABILITY**

1. Disclosure of any potential conflicts of interest that could be relevant to this project in any manner.
2. Disclosure of any projects/financing on which the team or any of its members has defaulted.
3. Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against it, him, or her within the past 10 years for breach of contracts for governmental or nongovernmental construction or development.
4. Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body.
5. Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting.
6. Disclosure of whether any officer, director, or owner is currently debarred from bidding or contracting, pursuant to an established debarment procedure, by any public body, agency of any state, or agency of the federal government.
7. Other evidence of financial stability of developer (submitted under confidential cover).

## ADDITIONAL INFORMATION

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither Buncombe County nor SOG, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in response to this request is at the sole risk of the respondent.

Those submitting responses to the SMDP assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the County or SOG to cover the costs of any submittal, whether or not such submittal is selected or utilized. The County reserves the right to reject submittals or waive irregularities or informalities in any submittal in its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the Developer(s) and the County, including but not limited to a Development Services Agreement, are subject to all statutory and legal requirements and ultimate approval by the Board of County Commissioners in its sole and absolute discretion and nothing herein is to be construed as binding on the County.

The County makes no express or implied warranty as to matters of title, zoning, tax consequences, physical or environmental conditions, valuation, financial conditions or economic matters, accuracy of any materials or reports provided, governmental approvals, governmental regulations, or any other matter or thing relating to or affecting the properties described herein or any proposed transaction or agreement contemplated herein.

DFI does not act as a broker or agent of the County, and no representation made by DFI during the solicitation and vetting process shall be binding on the County. Notwithstanding any provision herein, this solicitation shall not constitute an offer to contract on the part of the County. It shall not be construed to impose any legal obligations on the County.

This solicitation does not create any obligation or relationship, such as a partnership, joint venture, or similar legal relationship between the County and any potential party. Any references to “partner,” “partners,” or other similar terms will not be deemed to create a legal relationship or otherwise alter, amend, or change the relationship between any parties in the absence of a formal written agreement specifically detailing the rights, liabilities, and obligations of the parties as to a new, specifically defined legal relationship.



# APPENDIX A

## DEVELOPMENT SERVICES FEE

The performance by the County or the conveyance or lease of any portion of the property described herein (the “Property”) to the selected development entity and its successors and assigns (the “Developer”) shall be conditioned upon the execution of an agreement (the “Development Services Agreement”) between the County and the Developer pertaining to the responsibilities of either the County or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the “Project”).

As part of the Development Services Agreement, the Developer shall agree to pay a fee to the County’s consultant (“DFI”) and its successors and assigns for pre-development services provided to the County, and the Development Services Agreement shall provide that DFI is an intended third-party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1.0% (one percent) of the total projected costs of development (including horizontal and vertical development) of the Project as calculated by the Developer in the most recent version(s) of pro forma and other financial projections (the “Developer Financials”) prepared by the Developer and delivered to County or other parties prior to or contemporaneously with the execution of the Development Services Agreement (and in the event that projected costs are not available at time of execution, then Developer shall provide such costs as soon as possible thereafter), and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Development Services Fee. The total development cost shall not include costs related to development of structures that meet all of the following criteria following completion of the development: (i) the entire structure and the entire parcel of land on which the structure is located are owned in fee simple solely by the County; (ii) any financing associated with the structure is an obligation of the County alone; and (iii) the entire structure will be operated either (a) by the County directly or (b) by a contractor on behalf of the County pursuant to a contract executed by the County.

The Development Services Fee shall be due and payable in full to DFI no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to DFI may be developed as mutually agreed in writing by Developer and DFI; by way of illustration only, such schedule of payments could include deferring payment of the fee until closing on construction financing for the Project. Developer’s obligation to pay Development Services Fee shall not be assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Development Services Fee, except upon written consent of DFI.

# APPENDIX B

## MARKET SUMMARY

Asheville, North Carolina, the county seat of Buncombe County, has long been known as a thriving tourism destination, but it is also one of the fastest growing communities in one of the fastest growing states in the country. Nestled in the Blue Ridge Mountains, Asheville boasts a magnetic mix of cultural, economic, and recreational opportunities that draws households of all ages. The region is home to the University of North Carolina at Asheville, with over 3,000 students, and hosts a number of major technology, manufacturing firms and healthcare facilities.

Buncombe County has grown at an annual rate of 1.34% since 2020, compared to North Carolina’s 1.11%, with over 121,000 households as of 2023<sup>4</sup>. Asheville has also grown faster than the state overall, at 1.17% over the past four years<sup>5</sup>, with a population approaching 45,000 households<sup>6</sup>. That growth is projected to continue into the future, bolstered by a strong local economy and regional appeal.

	2023 households	2028 households	Projected annual growth
Asheville	44,900	47,100	0.97%
Buncombe County	121,400	126,000	0.76%
North Carolina			0.68% <sup>7</sup>

Buncombe County is a significant job center for the region. As of 2021, 45% of Buncombe County’s workforce live outside the county, and 77% of the City of Asheville’s workforce—54,000 people—commute from out-of-town.<sup>8</sup> Nearly a third of Buncombe County employees work in healthcare, manufacturing, or professional services and office technology, industries in which the average yearly earnings are between \$60,000 and \$75,000. According to projections from the N.C. Department of Commerce, these industries are expected to grow 1.5% annually through 2030. Buncombe County Economic Development and its partners are especially focused on nurturing industries that leverage the area’s “homegrown” economy and offer above-average wages; their success in these efforts is evidenced by dramatic five-year job growth in sectors such as climate technology (22%), advanced manufacturing (25%), and

4 Esri Business Analyst projections

5 Compound Annual Growth rate per Esri Business Analyst

6 Esri Business Analyst projections

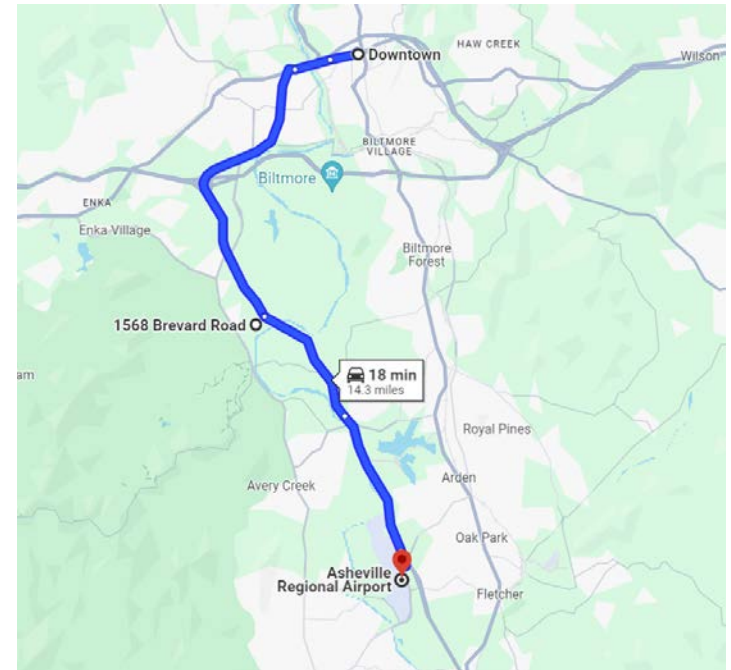
7 Esri Business Analyst projections

8 LEHD On The Map, 2021

life sciences (71%). In fact, global aerospace manufacturer Pratt & Whitney is constructing a new turbine air foil production facility less than a mile from the Ferry Road site. Once complete, the \$650 million facility will create an estimated 800 new jobs.

The attractive mix of mountain town charm and big-city social amenities has also made the region a popular retirement destination. The county’s population of adults 70 years of age and older has grown by 20% from 2017-2022<sup>9</sup>, and these trends are projected to continue, with Buncombe County expected to add approximately 8,500 individuals aged 65+ by 2028<sup>10</sup>.

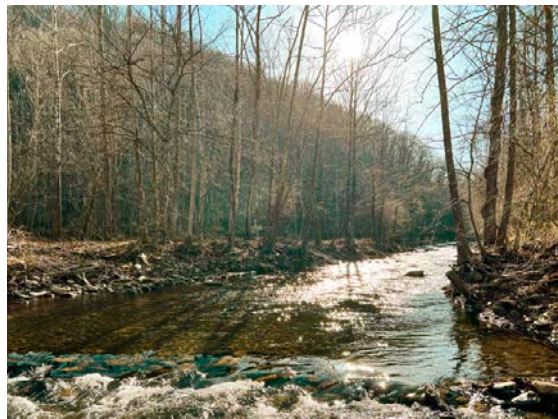
The Ferry Road community is uniquely positioned to capture Buncombe County’s continued growth. The Ferry Road site is south of downtown and adjacent to the Bent Creek area, which is less than a 20-minute drive from downtown and an 11-minute drive from the Asheville Regional Airport. This part of Asheville is expected to grow by approximately 2,000 households in the next five years, with 98% of projected new households earning more than \$75,000 a year and a third earning between \$150,000 and \$200,000 a year.<sup>11</sup>



Ferry Road site proximity to Asheville Regional Airport and downtown Asheville



Downtown Asheville



Barnardville Stream



Yoga at Addison Farms

9 American Community Survey 5 Year Estimates

10 Esri Business Analyst Projections

11 DFI Analysis of HUD Special Tabulations and Esri BAO Projections

## Multifamily Rental Market

The supply of multifamily rental units has increased by nearly 1,100 units in the Central Asheville submarket since 2015.<sup>12</sup> Even with a doubling of new supply, vacancy rates remained below 7% in Q1 of 2024. Approximately 1,400 additional units are under construction and slated for delivery in the next two years.<sup>13</sup> In the last 10 years, the Central Asheville market absorbed 700 units a year on average.

Key Multifamily Market Indicators	Central Asheville Submarket <sup>14</sup>	Buncombe County <sup>15</sup>
Vacancy	6.5%	5.8%
Cap rate	5.3%	5.6%
Average rent for 2023 class A/B deliveries	\$1,960 or \$1.70 PSF	\$1,960 or \$1.70 PSF <sup>16</sup>
New renter households by 2028, income >\$75,000 <sup>17</sup>	732	1,490

### Key multifamily market indicators, Q2 2024

Annual rent growth over the past two years remained positive at .6%, with average rents for recently delivered Class A and B properties in Asheville averaging \$1,960 or \$1.70 per square foot.<sup>18</sup> Class A multifamily developments recently completed near the Ferry Road site command significant rent premiums and tend to reach full occupancy within a year of completion. For example, Birch Hill Apartments, which was delivered in Q1 of 2023, commands a 7% rent premium over market rents and was fully stabilized within a year after delivery. Similarly, The Reserve at Gashes Creek, completed in 2021, was stabilized within 12 months and commands a 13% rent premium above the market. Both properties include amenities, such as pools and on-site exercise facilities, and are comparable to the Ferry Road site in scale and location.

12 CoStar identifies the Central Asheville market as largely bounded by Fletcher to the south, Weaverville to the North, and east-west by the extent of the 240 bypass.

13 CoStar

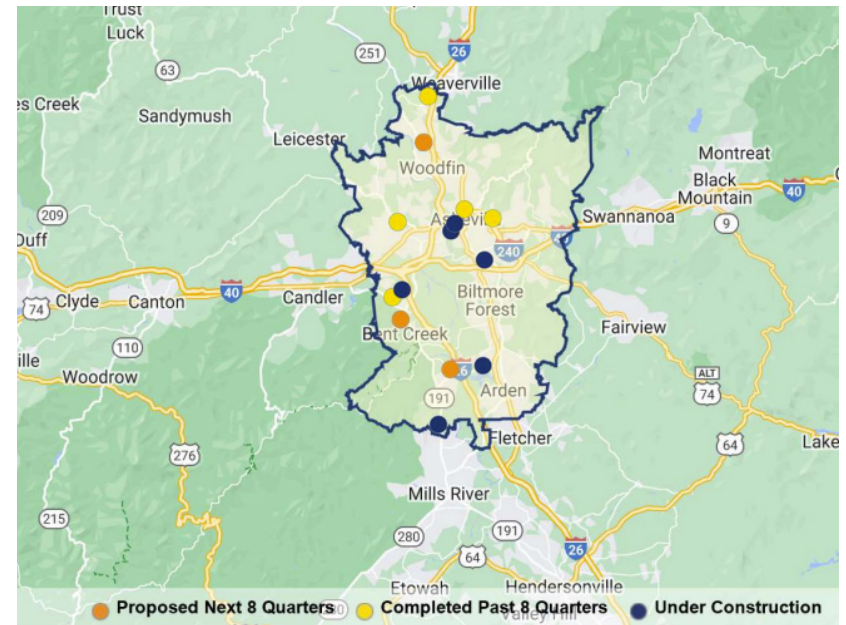
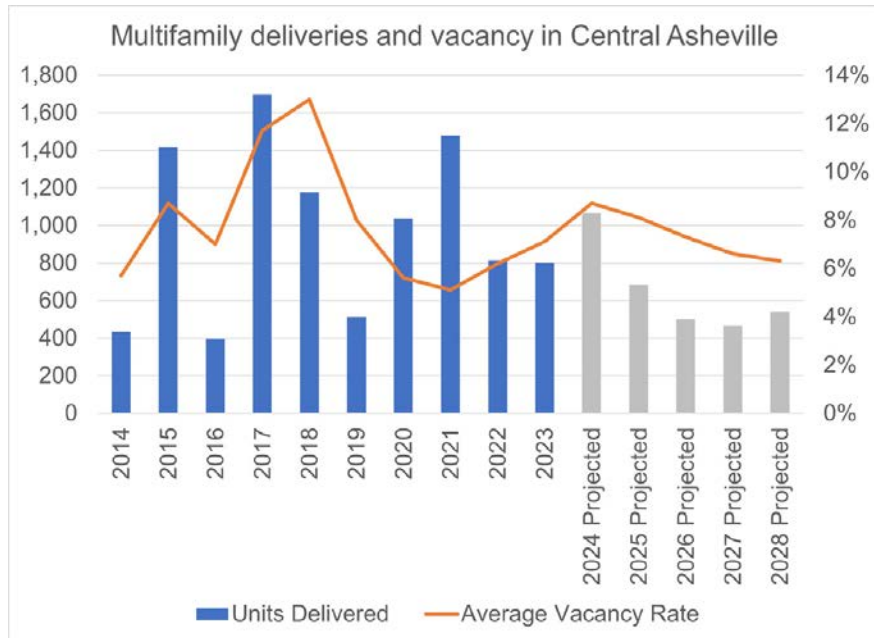
14 Data from CoStar Central Asheville Market Report 2024

15 Data from CoStar

16 Data from CoStar Central Asheville Market Report 2024

17 DFI Analysis of HUD Special Tabulations and ESRI BAO Projections

18 CoStar



Multifamily rental deliveries and vacancies in the Central Asheville submarket

CoStar map of Central Asheville submarket with recently completed and proposed multifamily developments

The Ferry Road site, co-located with miles of recreational greenways and the French Broad River, is well positioned to capture a portion of the over 700 likely renters earning \$75,000+/year expected in the area in the next five years<sup>19</sup>.

## Homeownership Market

An additional 3,000 potential homeowners, 95% of whom will earn \$100,000/year or more, are projected to move into the area south of downtown Asheville in the next 5 years.<sup>20</sup> Based on historic buying patterns of local higher-income, older adults, these new homebuyers will likely be in the market for homes valued at \$400,000 or more.<sup>21</sup>

There is a clear opportunity to meet this significant surge in homeownership demand: Buncombe County building permit records indicate that approximately 350 permits were issued from 2022-2024 for new site-built residential in the south Asheville area, with 275

<sup>19</sup> DFI analysis of ESRI BAO projections and HUD Special Tabulations data, 2021

<sup>20</sup> DFI analysis of ESRI BAO projections and HUD Special Tabulations data, 2021

<sup>21</sup> DFI analysis of Home Mortgage Disclosure Act (HMDA) data. Analysis assumes a 7.5% interest and other cost estimates for private mortgage insurance, taxes, and other homeownership costs.

units delivered. With a projected demand for 3,000 additional units, this indicates an as-yet **unmet demand for an estimated 2,700 additional new homes.**

## Housing Needs for Low-Income Income Households

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The Area Median Income (AMI) for a family of 4 in Buncombe County is \$90,300<sup>22</sup>. According to HUD, approximately 15,600 low-to-moderate income (LMI) renters in Buncombe County are spending more than 30% of their income on housing, accounting for 67% of LMI renters. Of those, nearly 7,000 LMI renters are severely cost burdened, spending more than half their income on housing expense.<sup>23</sup>

Development of new affordable units in Buncombe County is not keeping pace with the need. According to CohnReznick and the National Housing Production Database, the vacancy rate among the estimated 2,600 LIHTC units in Buncombe County has remained below 2% for over a decade.

A two-person low-income household earning \$54,400 (60% AMI) could afford, at most, the mortgage payments for a \$155,000 home with current interest rates.<sup>24</sup> <sup>25</sup> In 2022, less than 2% of all single-family homes sold in Buncombe County were sold at this price.<sup>26</sup>

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22 Novogradac Rent and Income Calculator, 2023

23 HUD CHAS 2020

24 2023 60% AMI Income for a 2-Person HH in Buncombe County, per Novogradac

25 Assuming a 7% fixed-rate 30-year mortgage, no downpayment assistance

26 Home Mortgage Disclosure Act [Data](#) 2022, Buncombe County

# APPENDIX C

## COUNTY POLICIES

### LEED Standards

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On September 15, 2020, the Buncombe Board of County Commissioners adopted the following Leadership in Energy and Environmental Design (LEED) standards for construction of public buildings and facilities. Although all new construction on the Ferry Road site will be private development, the County would prefer, but does not require, proposals that achieve similar standards in high-performance building:

1. New construction of occupied public buildings and facilities over 10,000 square feet shall achieve the minimum points needed to receive a rating of LEED Gold and strive to achieve the highest rating. While LEED certification will not be a requirement for all projects, certification will be pursued for selected projects where certification can be obtained for reasonable additional cost.
2. For new construction projects the County will also require certain sustainable design elements:
  - At minimum, facilities will be constructed to meet “solar-ready” design standards
  - Where feasible, facilities will be designed to achieve “net-zero” energy
3. Major renovations of public buildings, defined as renovations in excess of 50% of the aggregated area building, shall achieve the minimum points needed to receive a rating of LEED Gold and strive to achieve the highest rating. While LEED certification will not be a requirement for all projects, certification will be pursued for selected projects where certification can be obtained for reasonable additional cost.
4. The County’s construction management team will provide presentations to the County Board of Commissioners during the design process, which will provide Life Cycle Cost Analysis for design alternatives, as well as energy modeling, to inform the decision-making process.
5. All other new construction, renovations, repairs, replacements, maintenance, and operations of public buildings shall employ cost-effective, energy-efficient, green building practices to the maximum extent possible through the use of the USGBC LEED checklist or other comparable performance criterion in the planning, construction, renovation, maintenance, and operation of the facility.

### **Buncombe County Procurement Policy Section 3.2.4.5.**

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When soliciting for competitive proposals or bids, the County shall solicit directly to vendors who provide the goods or services needed for the purchase and are certified by the State Office of Historically Underutilized Businesses (HUB) or have identified themselves as a Woman or Minority-Owned Business Enterprise (WMBE) through registration with the County. This should be done in addition to any other processes or advertisements used to identify and solicit potential participants.

### **Buncombe County 2043: Conservation and Sustainability Interests**

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On May 16, 2023, the BOC adopted the Buncombe County 2043 Comprehensive Plan. The County prefers, but does not require, proposals that include nature-based stormwater measures consistent with the following identified policy:

- Chapter 7: Hazards and Resilience:
  - Goal: In partnership with private landowners, Buncombe will protect important resources and assets (food, housing, businesses, energy systems) from the impacts of natural and human-made hazards. The County will manage existing and future environmental impacts by implementing green infrastructure and nature-based solutions.
    - a. Policy 1: Manage existing and future environmental impacts by implementing green infrastructure and nature-based solutions (as defined by the U.S. Environmental Protection Agency).

### **Buncombe County Housing Goals and Programs**

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The Ferry Road development is part of larger effort by Buncombe County to significantly expand the availability of housing affordable to low-and moderate income households by 2030.

Learn more about the County's 2030 housing goals here: <https://www.buncombecounty.org/governing/depts/planning/ah-county-goals.aspx>.