



AFFORDABLE HOUSING SUBCOMMITTEE

April 16, 2024



AGENDA

- ✓ Call to Order & Welcome
- ✓ Public Comment
- ✓ Approval of Meeting Minutes
 - March 19, 2023
- ✓ Presentations
 - Affordable Housing Studies Funding Updates
 - FY 2025 AHSP New Construction Applications Review
- ✓ Announcements
- ✓ Adjourn



PUBLIC COMMENT



APPROVAL OF MEETING MINUTES



MARCH 19, 2024



PRESENTATIONS



AFFORDABLE HOUSING STUDIES FUNDING UPDATES

Matthew Cable



POTENTIALLY AVAILABLE FUNDS

FY 2023 AHSP Projects	Allocation from Budget	Adjustment to Allocation	Revised Allocation
Affordable Housing Professional Services	\$420,698	(\$33,199)	\$387,499
Construction Loan to VOA for Laurel Wood	\$800,000	(\$800,000)	-
Unallocated	\$580,000	\$833,199	\$1,413,199

FY 2024 AHSP Projects	Allocation from Budget	Adjustment to Allocation	Revised Allocation
Construction Loan to HACA for Deaverview Redevelopment Ph. I	\$1,564,714	(\$1,564,714)	-
Construction Loan to MHO for Star Point	\$500,000	(\$500,000)	-
Unallocated	\$0	\$2,064,714	\$2,064,714

Prior Years Unallocated Available for FY 2025 Projects	\$3,477,913
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AHSP Actual Program Income Currently Available	\$100,027
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FY 2025 General Fund Transfer	TBD
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Bond Projects	Allocation from Budget	Adjustment to Allocation	Revised Allocation
Construction Loan to Buckeye for Redwood Commons	\$1,826,000	(\$1,826,000)	-
Construction Loan to LDG for Meribel	\$8,468,195	(\$8,468,195)	-
Unallocated	\$26,000,000	\$10,294,195	\$36,294,195



GENERAL ELIGIBILITY

FY 2025 AHSP Requests	Total Request	AHSP Funds	Bond Funds
Grant Applications	\$2,211,500	✓	X
Loan Applications	\$37,275,834	✓	✓
FY 2025 Additional Potential Funding Needs	Potential Funding Gap	AHSP Funds	Bond Funds
STR Conversion Incentive Program Balance	\$375,000	✓	X
DFI: Coxe Avenue Gap Funding Estimate	\$9,800,000 - \$16,100,000	✓	✓
DFI: Ferry Road Gap Funding Estimate	\$24,000,000	✓	✓



REQUESTS AND POTENTIALLY AVAILABLE FUNDS

2,211,500	2,211,500	FY 2025 AHSP Grant Requests
<u>+ 37,275,834</u>	<u>+ 37,275,834</u>	<u>FY 2025 AHSP Loan Requests</u>
\$39,487,334	\$39,487,334	Subtotal
375,000	375,000	Short-Term Rental Conversion Incentive Program Request
9,800,000	16,100,000	DFI: Coxe Avenue Gap Funding
<u>+ 24,000,000</u>	<u>+ 24,000,000</u>	<u>DFI: Ferry Road Gap Funding</u>
\$34,175,000	\$40,475,000	Subtotal
\$73,662,334	\$79,962,334	Total

	3,477,913	AHSP Funds Available for Reallocation
	100,027	AHSP Program Income Currently Available
	<u>+ 36,294,195</u>	<u>Bond Funds</u>
	\$39,842,135	Total

TBD FY 2025 General Fund Allocation (Prior Year = \$2,311,845)



FY 2025 AHSP NEW CONSTRUCTION APPLICATIONS REVIEW



FY25 AHSP APPLICATIONS RECEIVED NEWCONSTRUCTION PROJECTS

Program	Applicant	Project	LIHTC	Request	Units	AHSP Per Unit	Total Project Cost
Construction Loan	Laurel Street Residential	319 Biltmore Apartments		\$ 1,950,000	67	\$ 29,104	\$ 65,564,313
Construction Loan	Asheville Buncombe Community Land Trust	Doubling Permanent Affordability in Buncombe County		\$ 1,300,000	10	\$ 130,000	\$ 5,200,000
Construction Loan	WDT Development	Lofts at Swannanoa	9%	\$ 379,787	52	\$ 7,304	\$ 14,762,536
Construction Loan	Roers Companies	Pine Lane	4%	\$ 8,619,031	126	\$ 68,405	\$ 45,615,157
Construction Loan	Vision Properties	Rock Hill Place		\$ 200,000	4	\$ 50,000	\$ 230,000
Construction Loan	Fitch Irick Development	Rocky River Apartments	4%	\$ 8,849,950	120	\$ 73,750	\$ 43,512,259
		Total		\$ 12,448,818	259		\$ 131,372,006
	Inside City of Asheville						

NEW CONSTRUCTION LOAN REQUESTS COMPARISON OF LOCATION



319 BILTMORE APARTMENTS

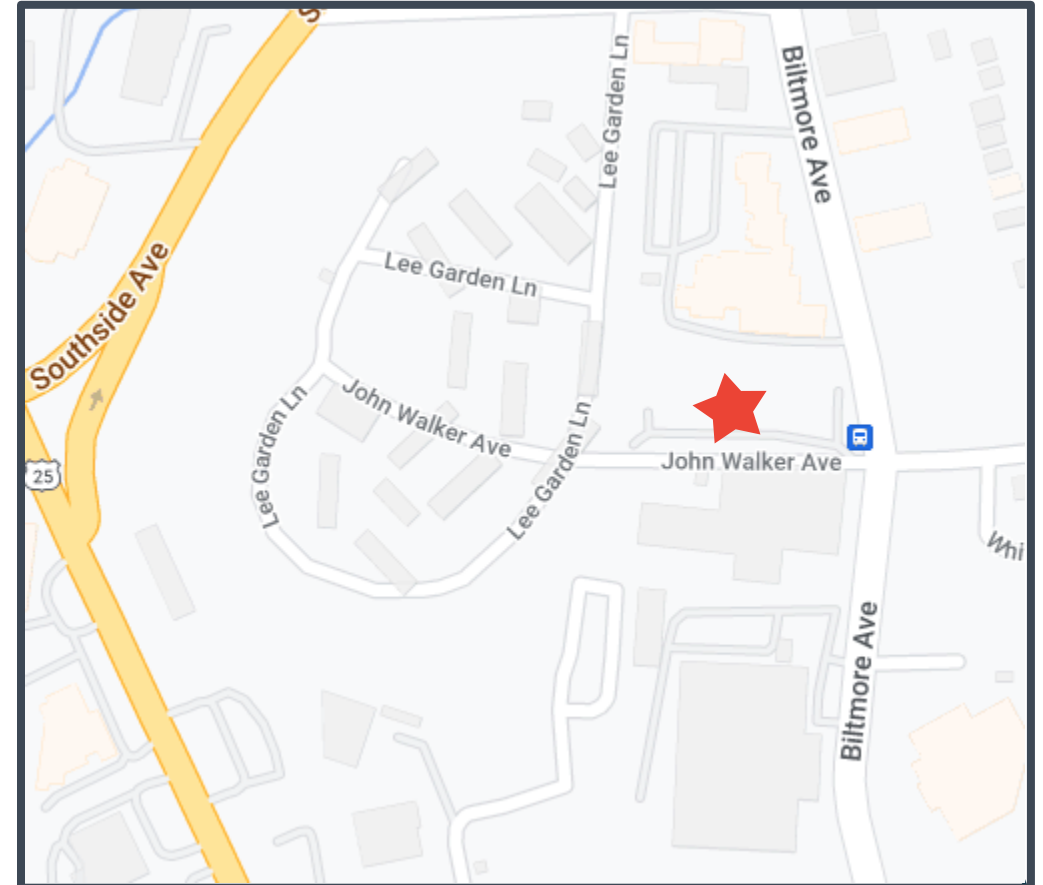
LAUREL STREET RESIDENTIAL



319 BILTMORE APARTMENTS

PROJECT HIGHLIGHTS

- Request: \$1,950,000
- Total Project Cost: \$65,564,313
- Units: 221 units, 67 affordable
- Location: 3 & 4 John Walker Avenue (Asheville)
- Development Status: CZ Approved
- Site Control: \$1 purchase from City of Asheville
- Voucher Acceptance: Anticipates 33 project based vouchers



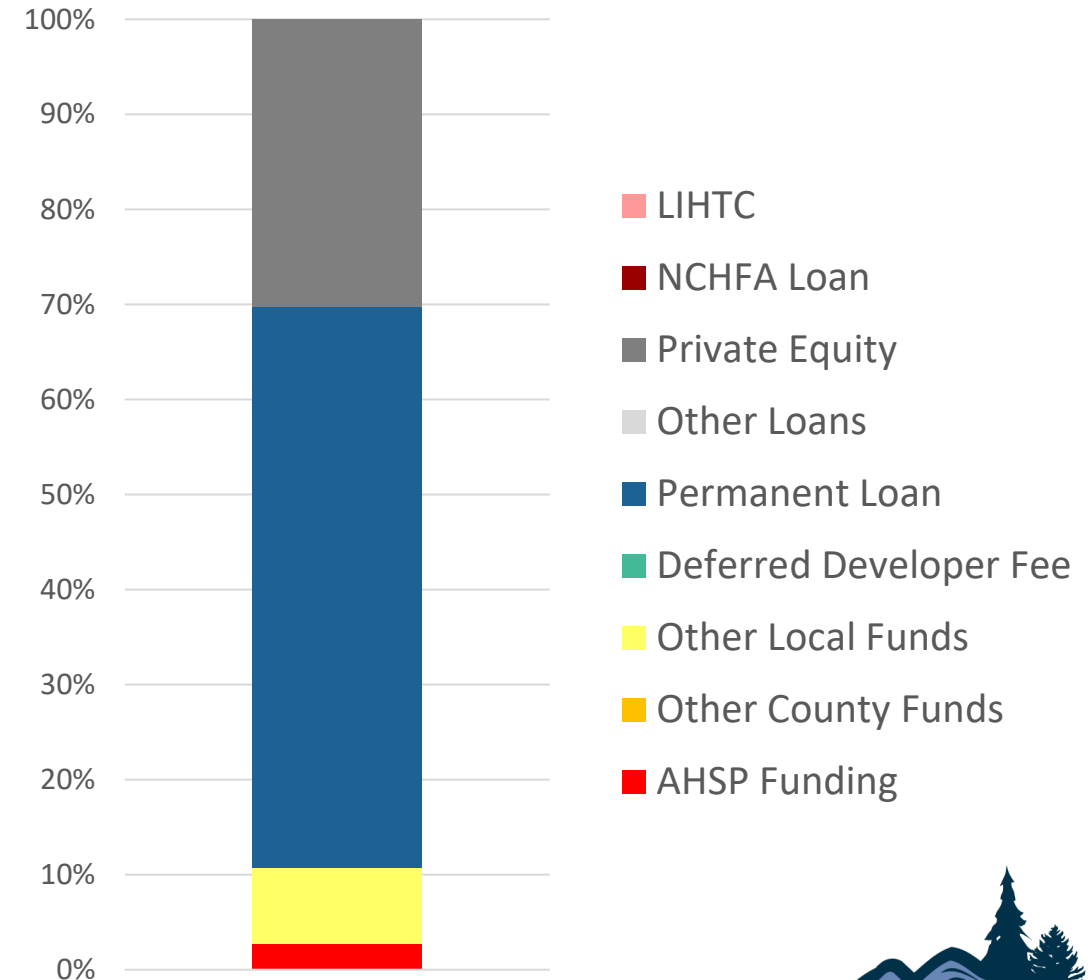
319 BILTMORE APARTMENTS

COMMITTED

- \$42,024,500 HUD 221(d)(4) Program loan (40 years at 6%, principal and interest)
- \$21,589,813 from private equity
- \$1 acquisition of property from the City of Asheville (\$5,700,000 from the Affordable Housing Bond)

REQUESTED

- \$1,950,000 AHSP (43 years at 1%, cashflow loan)

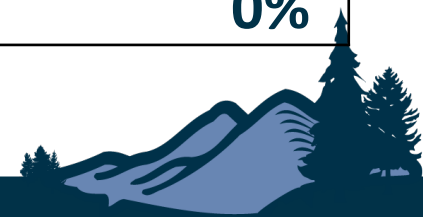


319 BILTMORE APARTMENTS

Household AMI Targets	
AMI	Units
≤80%	22
≤60%	45
Total	67

Unit Mix	
Bedrooms	Units
Efficiency	11
1	108
2	72
3	30
Total	221

Target Populations	
Served	Percentage
Age 55+	0%
Disability	0%
BIPOC	0%
Justice Involved	0%
Vouchers	15%
Hard to House	0%
Homeless / At Risk	0%
CoC Referral	0%



319 BILTMORE APARTMENTS

RECOMMENDATION

The Committee may recommend a loan up to \$1,950,000 with AHSP standard loan terms. This loan could be supported with general fund or bond funds.



2 BLDG 1 JOHN WALKER AVE SD
SD4 SCALE: 3/32" = 1'-0" R.E. = 1/8/19B



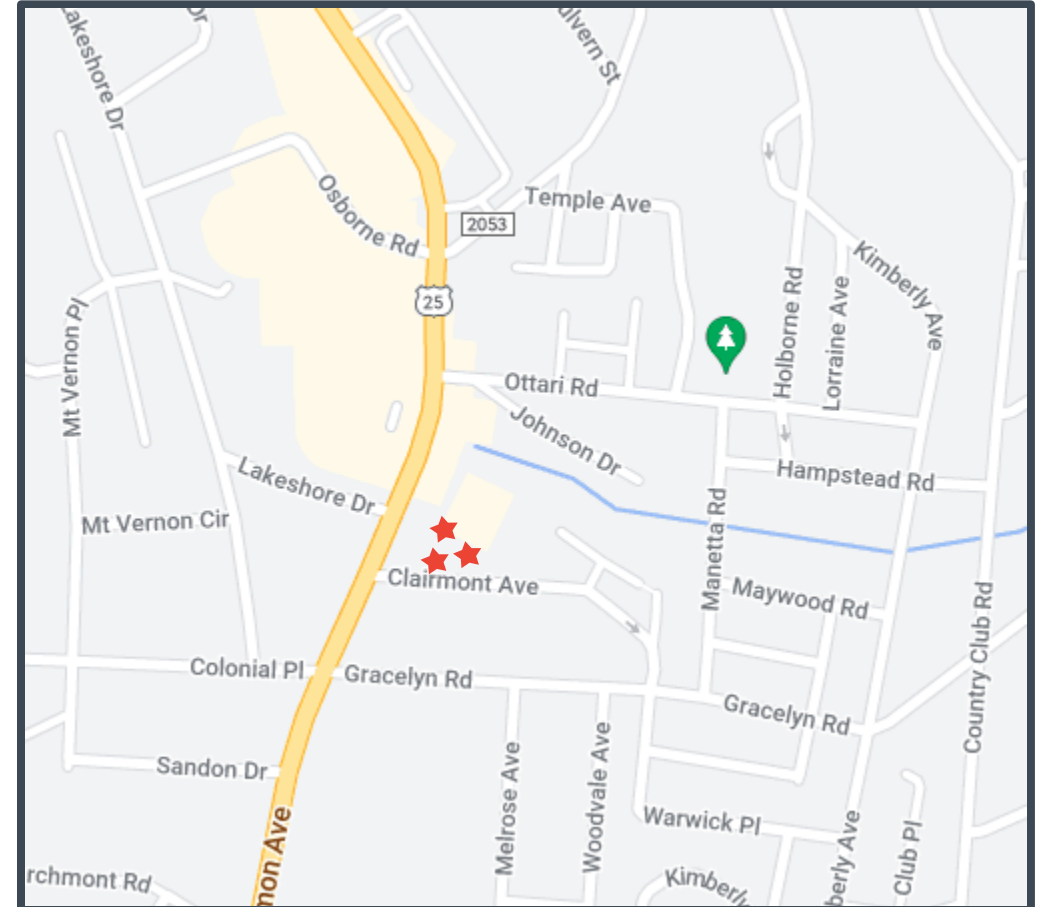
**DOUBLING PERMANENT
AFFORDABILITY IN
BUNCOMBE COUNTY
ASHEVILLE BUNCOMBE COMMUNITY LAND TRUST**



DOUBLING PERMANENT AFFORDABILITY

PROJECT HIGHLIGHTS

- Request: \$1,300,000
- Total Project Cost: \$5,200,000
- Units: 20 single family homes for sale
10 homes funded by AHSP
- Location: Scattered Sites
- Development Status: None
- Site Control: None
- Voucher Acceptance: Approximately 30%
of applicants are voucher holders



DOUBLING PERMANENT AFFORDABILITY

COMMITTED

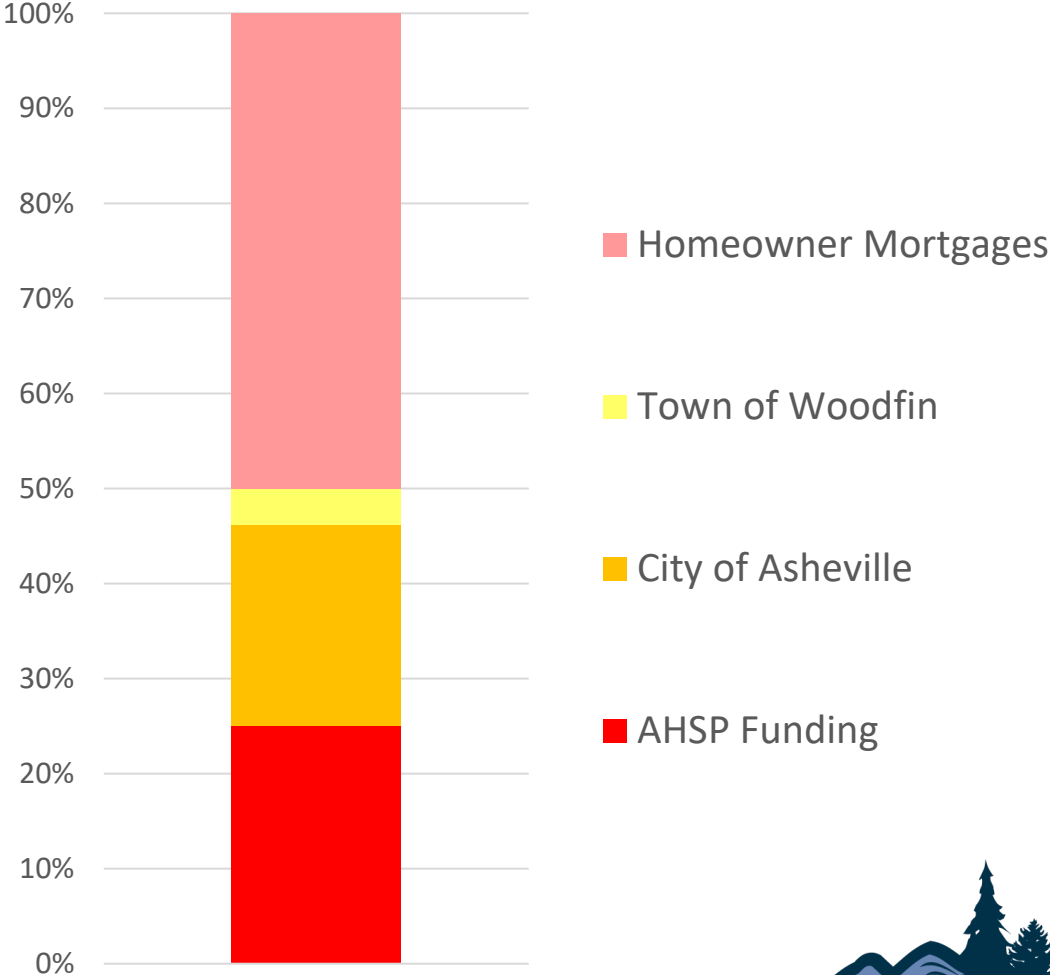
- \$1,100,000 City of Asheville HTF (grant)
- \$200,000 Town of Woodfin (grant)

REQUESTED

- **\$1,300,000 AHSP (grant)**

BALANCE

- 50% of purchase price as homeowner mortgage

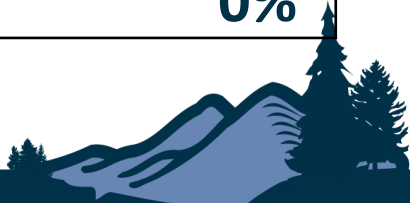


DOUBLING PERMANENT AFFORDABILITY

Household AMI Targets	
AMI	Units
≤80%	10
Total	10

Unit Mix	
Bedrooms	Units
1	0
2	3
3	7
4	0
Total	10

Target Populations	
Served	Percentage
Age 55+	0%
Disability	0%
BIPOC	79%
Justice Involved	0%
Vouchers	28%
Hard to House	0%
Homeless / At Risk	0%
CoC Referral	0%



DOUBLING PERMANENT AFFORDABILITY

RECOMMENDATION

The Committee would have to make exceptions to the AHSP Program Guidelines to recommend a grant of funds, up to \$1,300,000, to ABCLT.

As a construction loan, limited to 10% of cost per unit, the Committee may recommend a loan up to \$130,000, fully amortizing at an interest rate of 2% with a 5-year term (or until the property is transferred or sold, whichever occurs first). This request could be supported with general funds, program income or bond funds.



LOFTS AT SWANNANOA

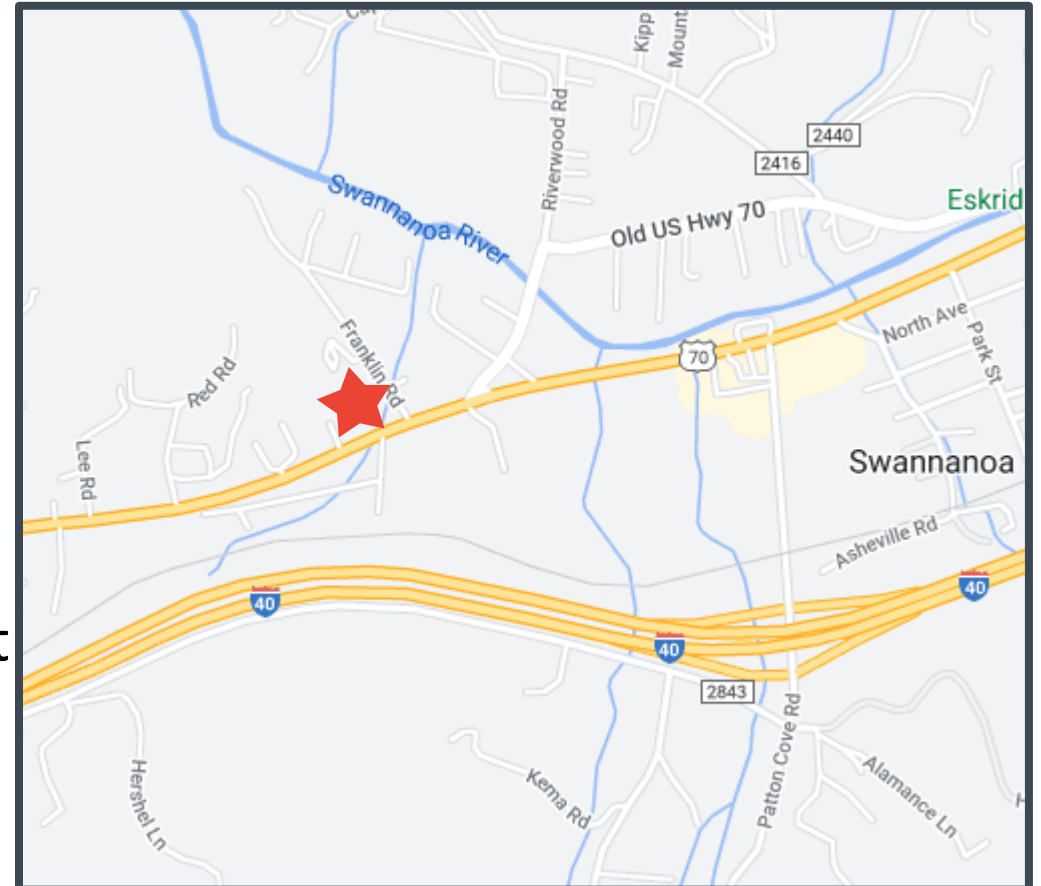
WDT DEVELOPMENT



LOFTS AT SWANNANOVA

PROJECT HIGHLIGHTS

- Request: \$379,787
- Total Project Cost: \$14,762,536
- Units: 52
- LIHTC 2024 9% Applicant: \$1,293,086
- Location: 2236 US Highway 70 (Swannanoa)
- Development Status: Seeking Special Use Permit
- Site Control: Option Agreement
- Voucher Acceptance: 26 units estimated to be rented by voucher holders



LOFTS AT SWANNANOVA

COMMITTED

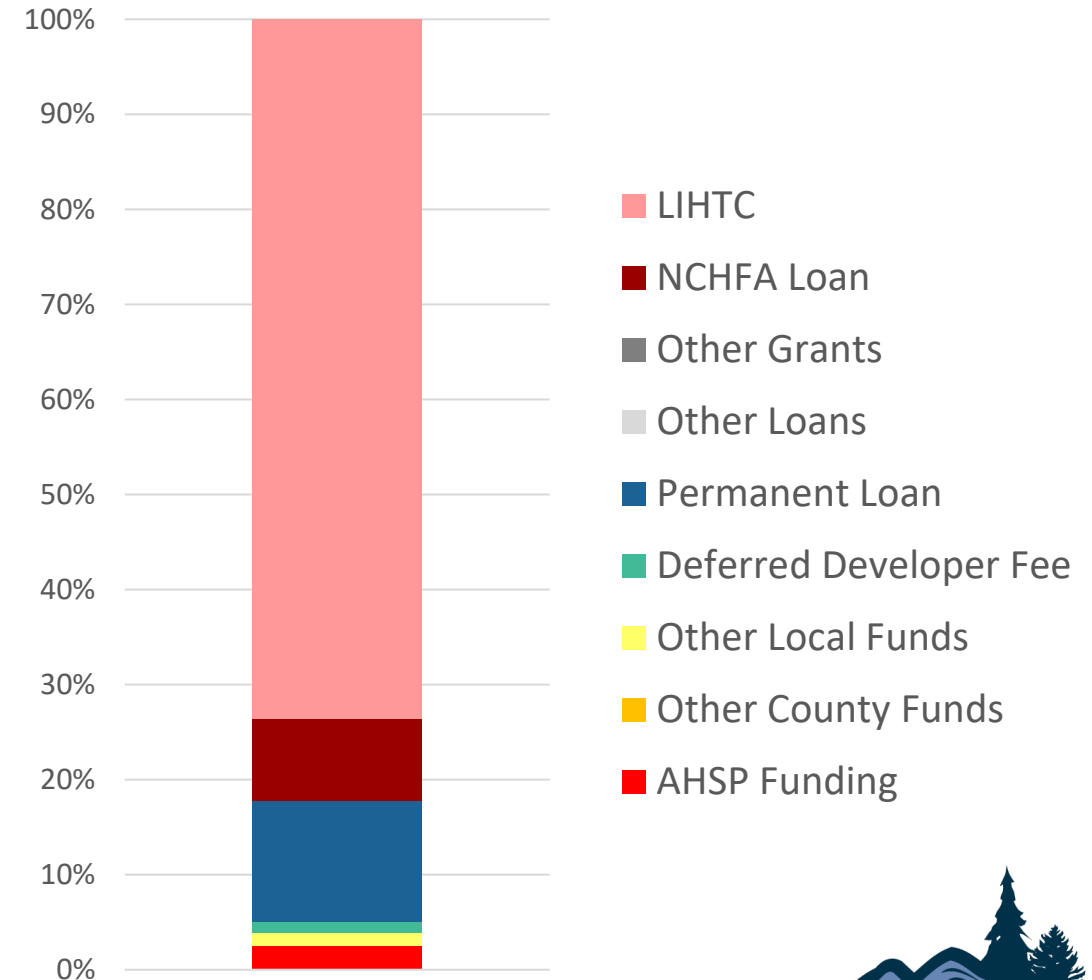
- None

REQUESTED

- \$10,860,836 (9% LIHTC – estimate \$0.84 per tax credit)
- \$1,878,706 (Permanent loan, (35 years, at 7%, P&I))
- \$780,000 NCHFA RPP Loan (20 years at 2%, cashflow loan)
- \$500,000 NCHFA WHLP Loan (30 years at 0%, deferred)
- \$379,787 (Permanent loan, (35 years, at 7%, P&I))
- \$193,207 (HOME funds (20 years at 2%, cashflow loan))

DEFERRED DEVELOPER FEE

- \$170,000 (Maximum of \$292,500 can be deferred)



LOFTS AT SWANNANOVA

Household AMI Targets	
AMI	Units
≤80%	18
≤60%	12
≤50%	9
≤30%	13
Total	

Unit Mix	
Bedrooms	Units
1	32
2	20
3	0
4	0
Total	52

Target Populations	
Served	Percentage
Age 55+	100%
Disability	10%
BIPOC	30%
Justice Involved	0%
Vouchers	50%
Hard to House	10%
Homeless / At Risk	10%
CoC Referral	0%



LOFTS AT SWANNANOVA

RECOMMENDATIONS

The Committee may recommend a loan up to \$379,787 with a 20-year term, at an interest rate of 2%, annual payment from cashflow with balloon payment. This loan could be supported with general fund or bond funds.



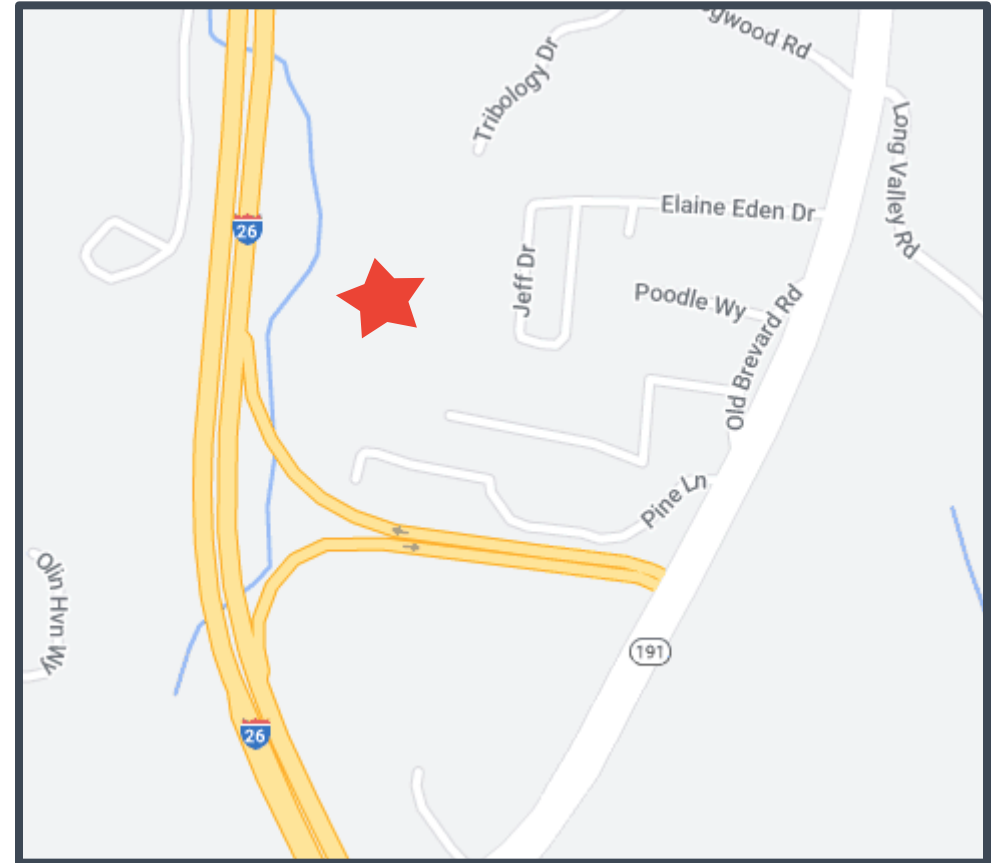
**ROERS ASHEVILLE AFFORDABLE
PINE LANE
ROERS COMPANIES**



ROERS ASHEVILLE AFFORDABLE - PINE LANE

SUMMARY HIGHLIGHTS

- Request: \$8,619,031
- Total Project Cost: \$45,615,457
- Units: 126
- LIHTC 4% Estimate of Credits: \$1,972,426
- Location: 9999 Pine Lane (Asheville)
- Development Status: TRC Preapplication
- Site Control: Option agreement
- Voucher Acceptance: No estimate provided, but willing to accept tenant or project-based vouchers



ROERS ASHEVILLE AFFORDABLE - PINE LANE

COMMITTED

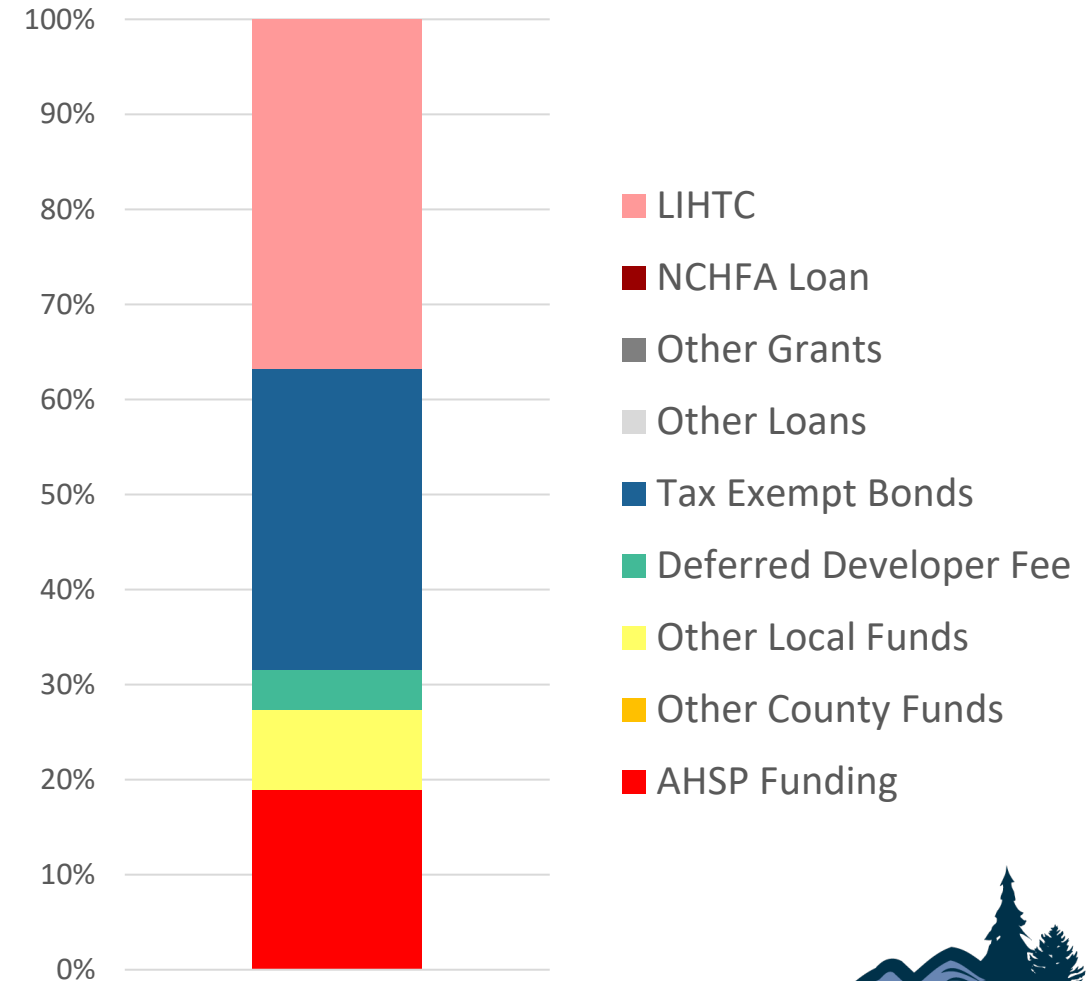
- None

REQUESTED

- \$16,765,626 (4% LIHTC - \$0.85 value)
- \$14,460,000 tax exempt bonds (40 years at 6.26%, principal and interest)
- **\$8,619,031 AHSP Loan (20 years at 2%, cashflow loan)**
- \$3,879,366 Asheville HTF Loan (20 years at 2%, interest only)

DEFERRED DEVELOPER FEE

- \$1,891,133 (Maximum of \$1,260,000 can be deferred)

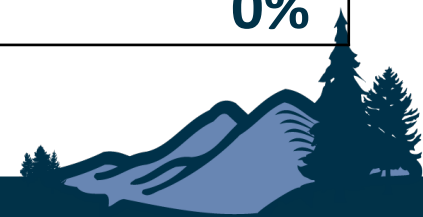


ROERS ASHEVILLE AFFORDABLE - PINE LANE

Household AMI Targets	
AMI	Units
≤60%	126
Total	126

Unit Mix	
Bedrooms	Units
1	14
2	28
3	68
4	21
Total	126

Target Populations	
Served	Percentage
Age 55+	5%
Disability	0%
BIPOC	0%
Justice Involved	0%
Vouchers	0%
Hard to House	0%
Homeless / At Risk	0%
CoC Referral	0%



ROERS ASHEVILLE AFFORDABLE - PINE LANE

RECOMMENDATION

The Affordable Housing Committee may recommend a loan between \$7,593,318 - \$8,619,031 with a 20-year term, at an interest rate of 2%, annual payment from cashflow with balloon payment.



ROCKY RIVER APARTMENTS

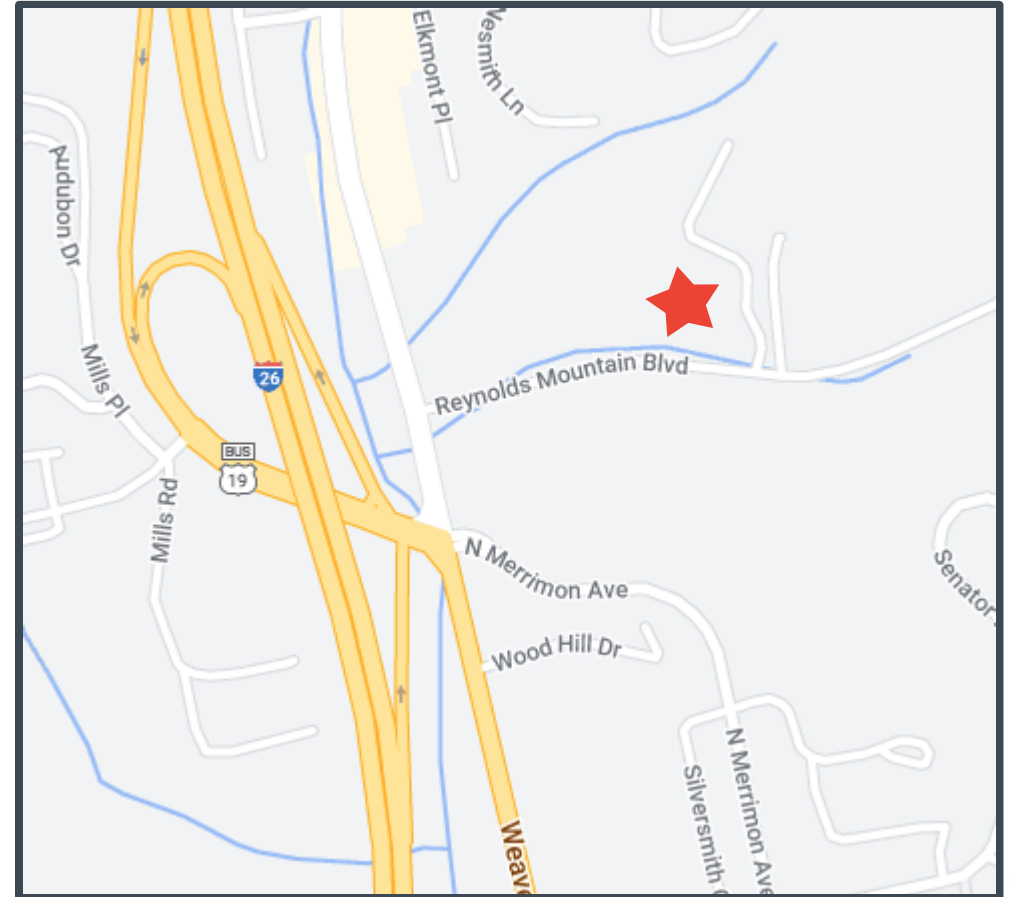
FITCH IRICK DEVELOPMENT



ROCKY RIVER APARTMENTS

PROJECT HIGHLIGHTS

- Request: \$8,849,950
- Total Project Cost: \$43,512,259
- Units: 120
- LIHTC 4% Credit Estimate: \$2,001,696
- Location: 22-48 Reynolds Mtn Blvd (Woodfin)
- Development Status: Woodfin Zoning Approved
- Site Control: Option agreement
- Voucher Acceptance: 28 units estimated to be rented by voucher holders



ROCKY RIVER APARTMENTS

COMMITTED

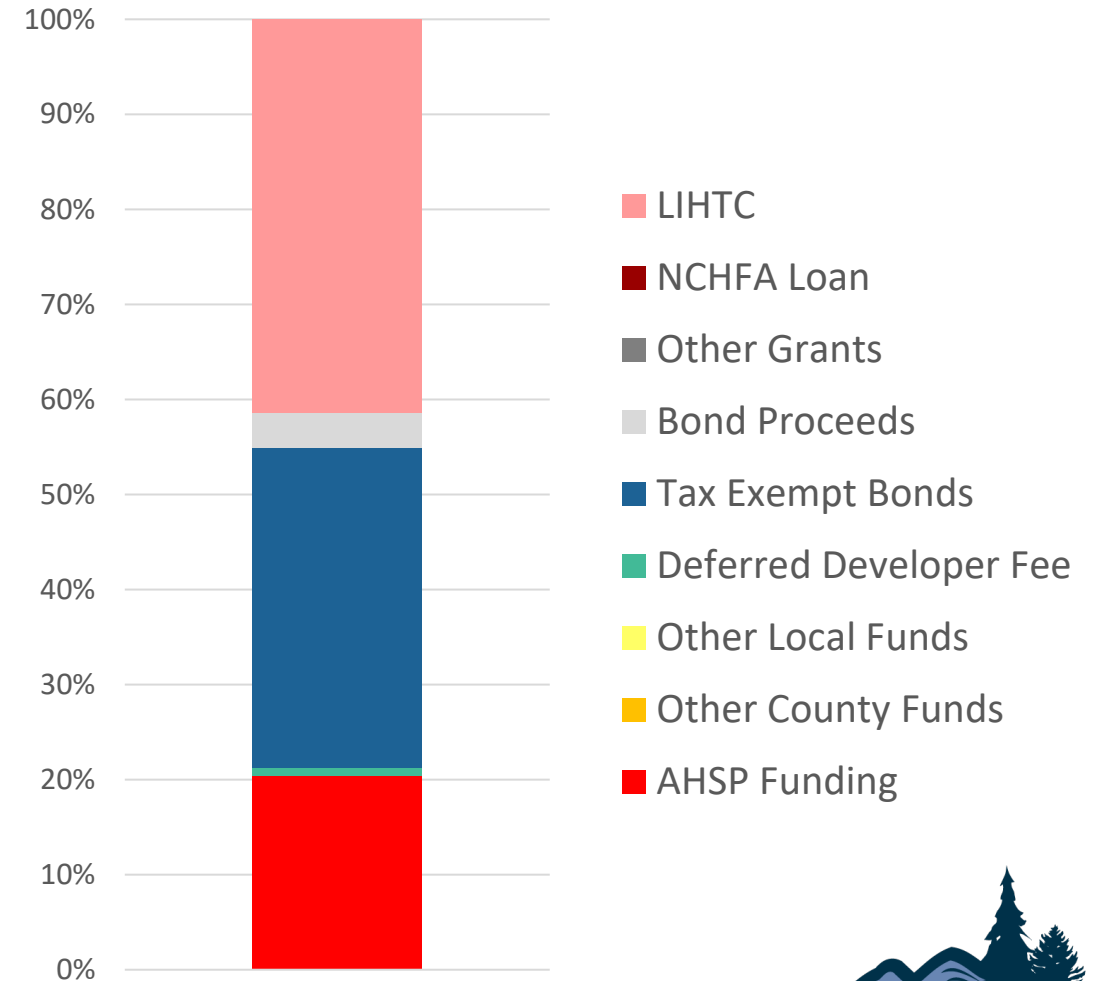
- None

REQUESTED

- \$18,013,462 (4% LIHTC - \$0.90 per tax credit)
- \$14,636,347 Tax-Exempt Bonds (35 years at 5.8%, principal and interest)
- \$8,849,950 AHSP (20 years at 2%, cashflow loan)
- \$1,600,000 from Bond Reinvestment Proceeds

DEFERRED DEVELOPER FEE

- \$412,500 (Maximum of \$1,372,500 can be deferred)

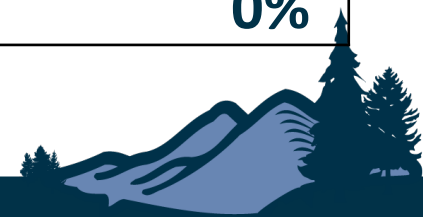


ROCKY RIVER APARTMENTS

Household AMI Targets	
AMI	Units
≤80%	28
≤60%	64
≤30%	28
Total	120

Unit Mix	
Bedrooms	Units
1	14
2	52
3	42
4	12
Total	120

Target Populations	
Served	Percentage
Age 55+	38%
Disability	10%
BIPOC	15%
Justice Involved	0%
Vouchers	23%
Hard to House	0%
Homeless / At Risk	0%
CoC Referral	0%



ROCKY RIVER APARTMENTS

RECOMMENDATIONS

The Committee may recommend a loan between \$7,889,950 - \$8,438,950 with a 20-year term, at an interest rate of 2%, annual payment from cashflow with balloon payment.



ROCK HILL PLACE

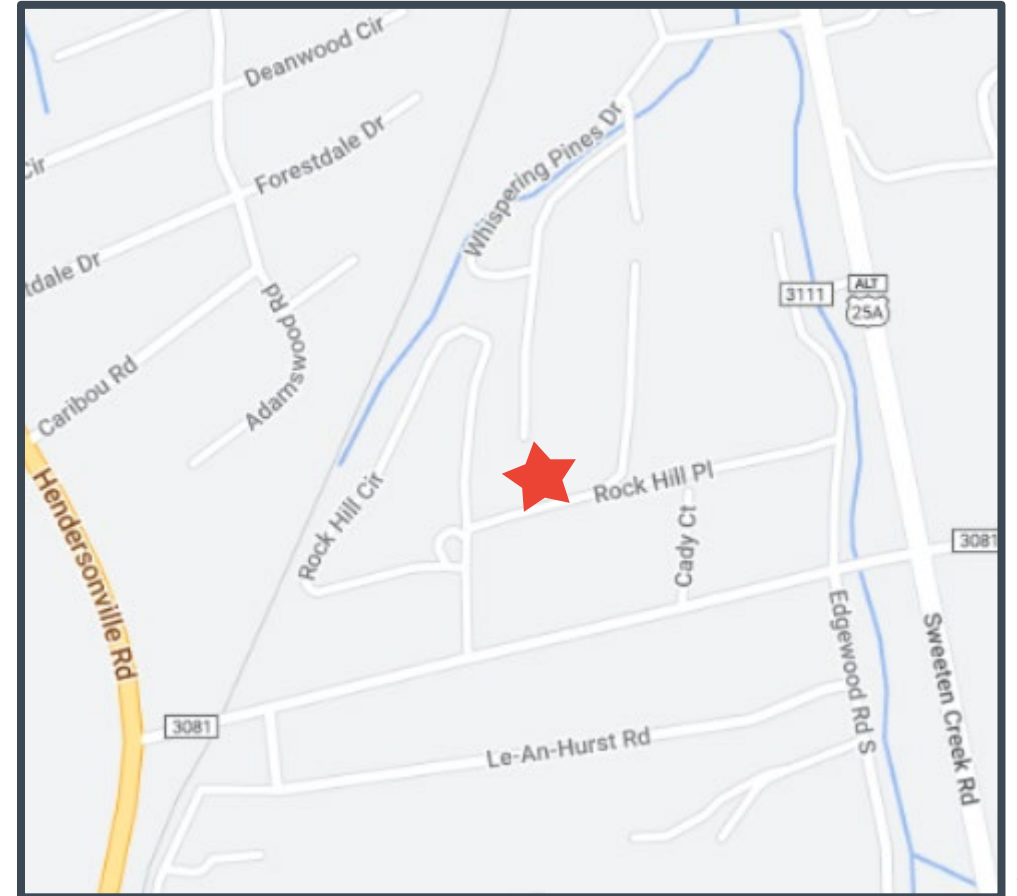
VISION PROPERTY



ROCK HILL PLACE

PROJECT HIGHLIGHTS

- Request: \$200,000
- Total Project Cost: Unknown
- Units: 4
- Location: 31 Rock Hill Place (Asheville)
- Development Status: City Approval Needed
- Site Control: Verbal purchase agreement
- Voucher Acceptance: All units to anticipated to be rented by voucher holders



ROCK HILL PLACE

COMMITTED

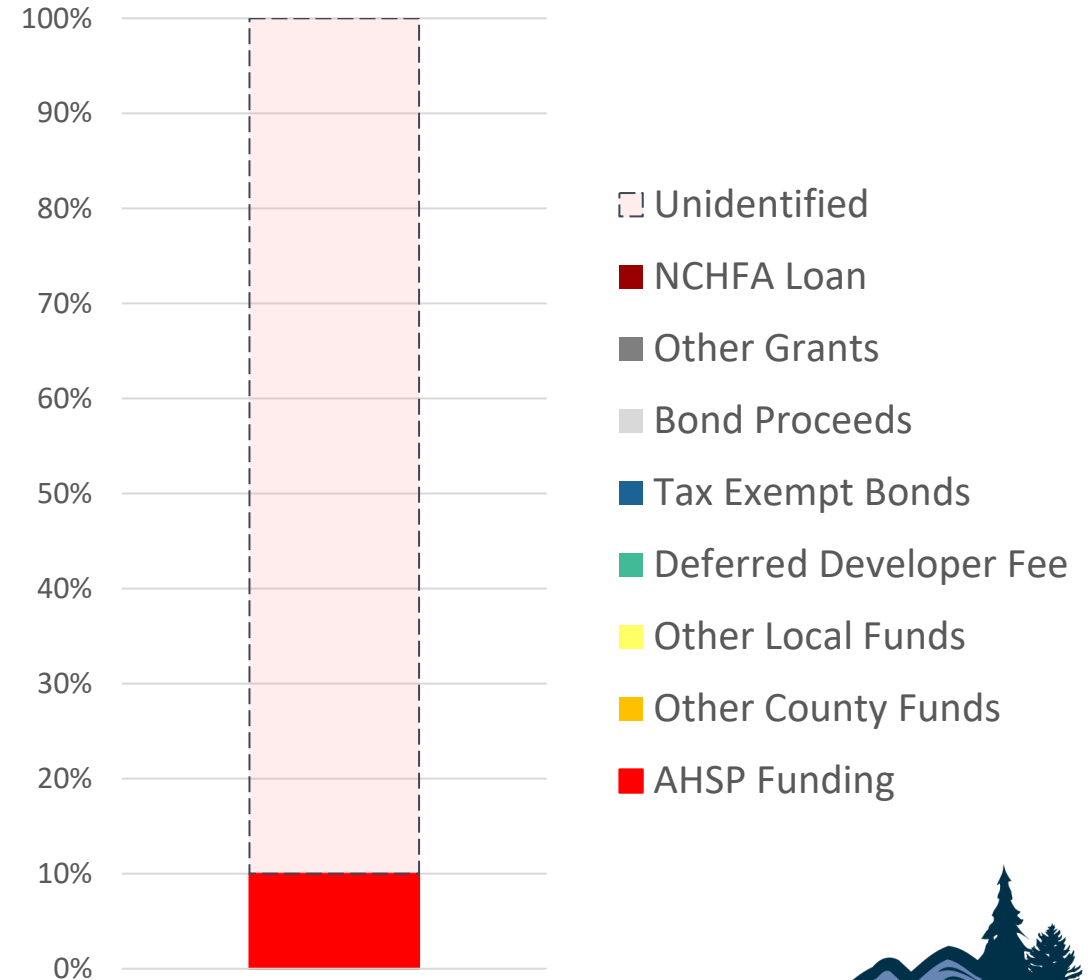
- None

REQUESTED

- \$200,000 AHSP (20 years at 2%, cashflow loan)

DEFERRED DEVELOPER FEE

- None

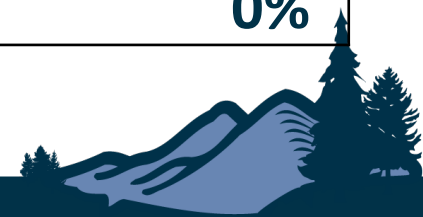


ROCK HILL PLACE

Household AMI Targets	
AMI	Units
≤60%	4
Total	4

Unit Mix	
Bedrooms	Units
1	4
Total	4

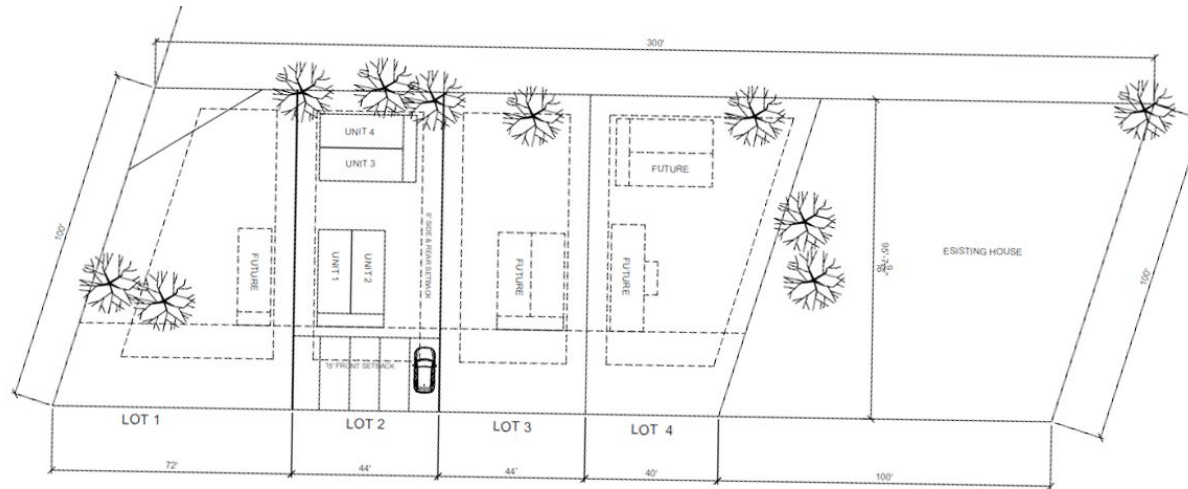
Target Populations	
Served	Percentage
Age 55+	99%
Disability	99%
BIPOC	99%
Justice Involved	0%
Vouchers	99%
Hard to House	0%
Homeless / At Risk	0%
CoC Referral	0%



ROCK HILL PLACE

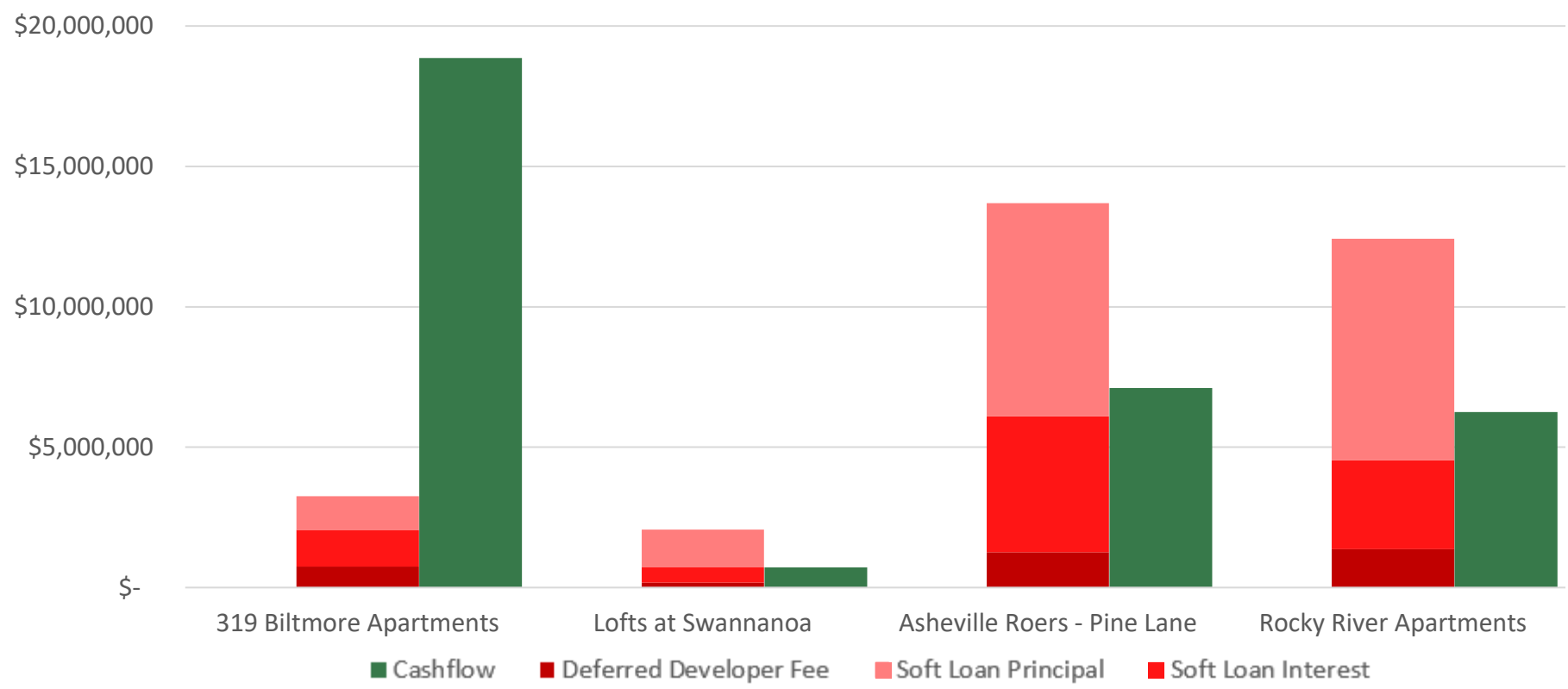
RECOMMENDATIONS

Community Development Division staff is not positioned to advise the Affordable Housing Committee to recommend a loan award. The Affordable Housing Committee would have to make exceptions to the AHSP Program Guidelines to recommend a loan above \$20,000. Staff recommends the applicant seek additional sources of funding to align with the AHSP Program Guidelines.



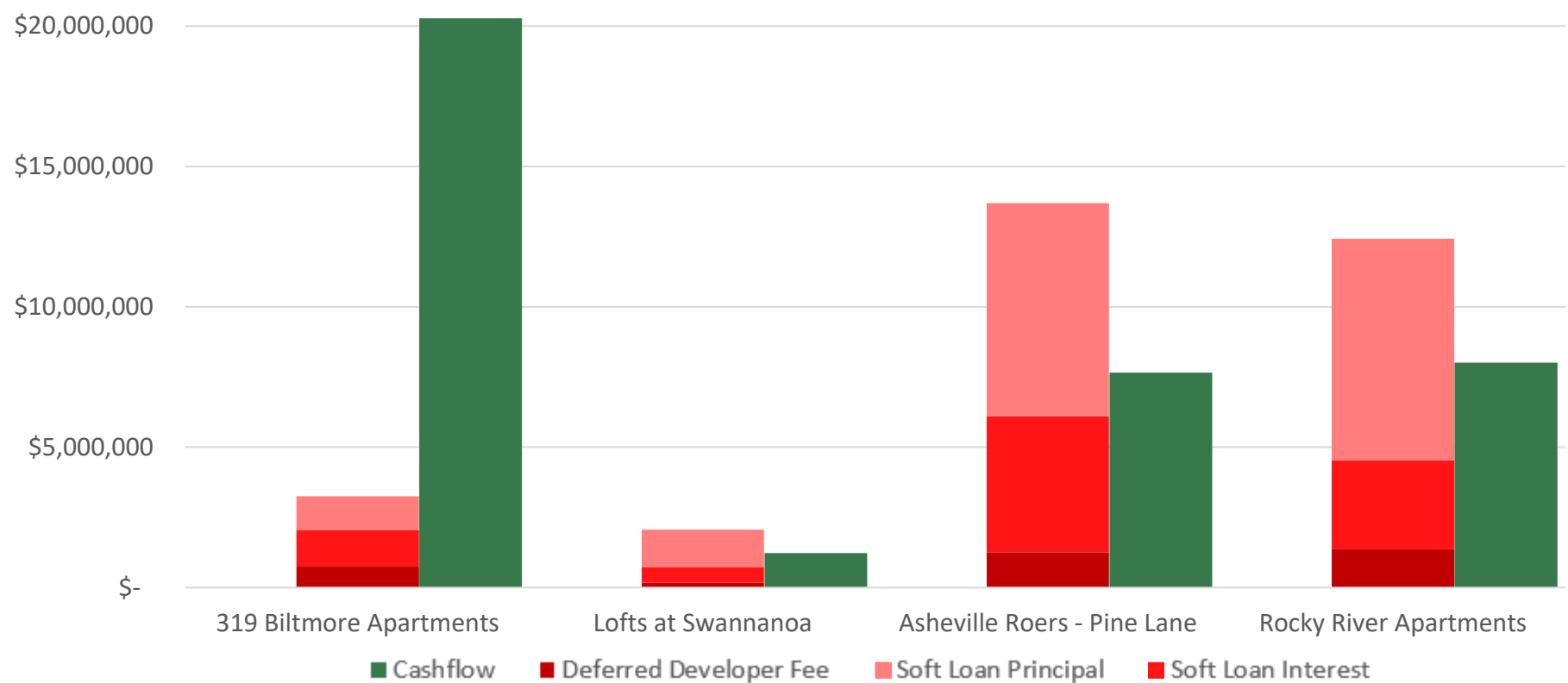
RENTAL CONSTRUCTION LOAN REQUEST COMPARISON OF PROFORMA ANALYSIS

7% VACANCY DEBT COVERAGE AND CASHFLOW

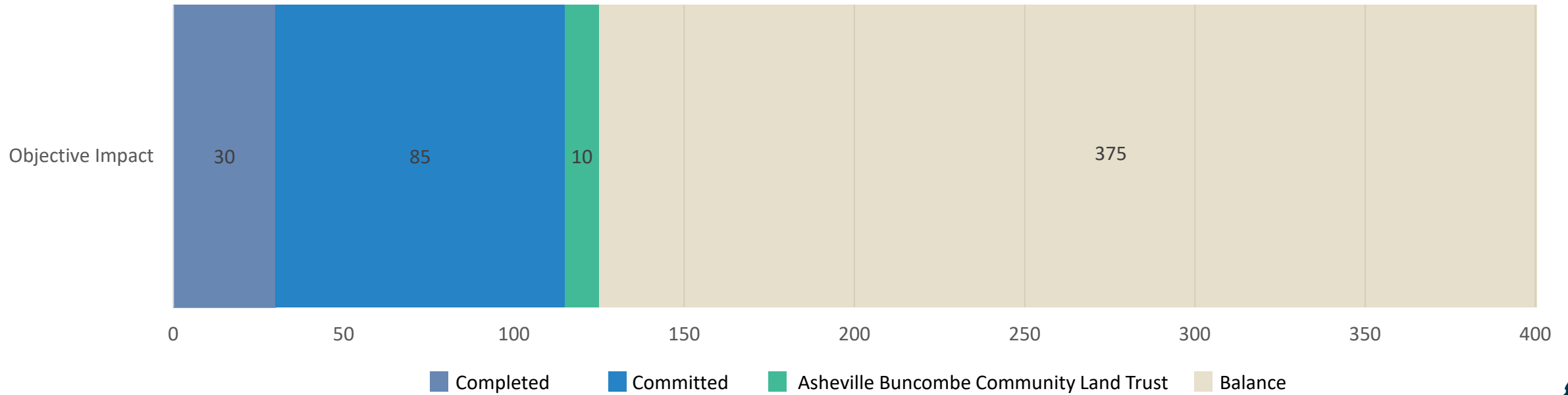


RENTAL CONSTRUCTION LOAN REQUEST COMPARISON OF PROFORMA ANALYSIS

3% VACANCY DEBT COVERAGE AND CASHFLOW



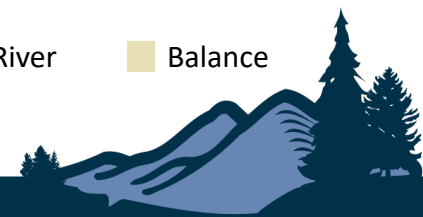
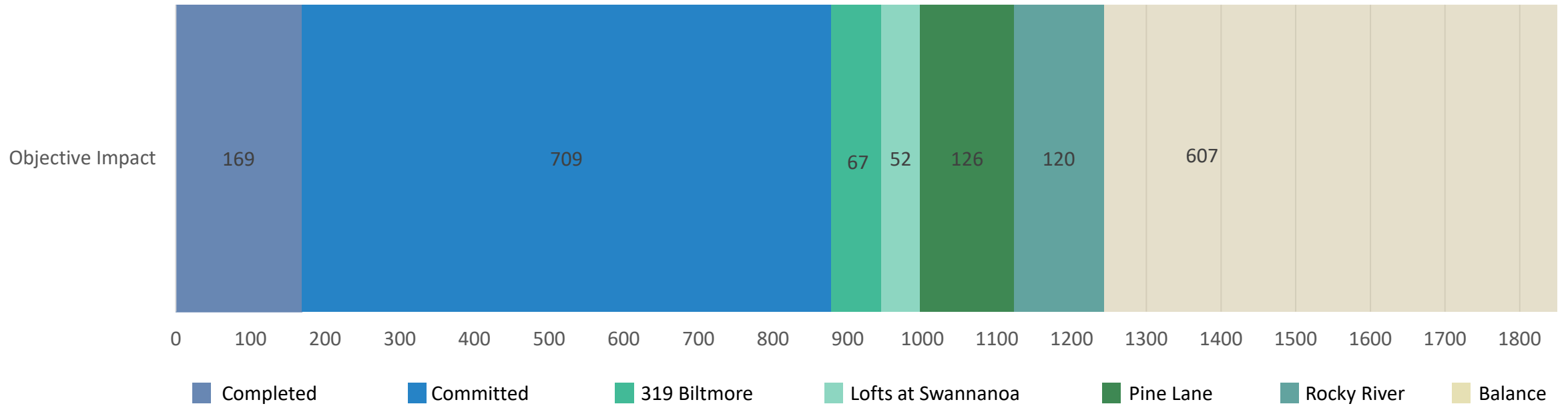
POTENTIAL IMPACT ON HOUSING GOAL HOMEOWNERSHIP



POTENTIAL IMPACT ON HOUSING GOAL

RENTAL UNITS FOR HOUSEHOLDS AT $\leq 80\%$ AMI

GOAL = 1,850



POTENTIAL IMPACT ON HOUSING GOAL

RENTAL UNITS LEVERAGING LIHTC

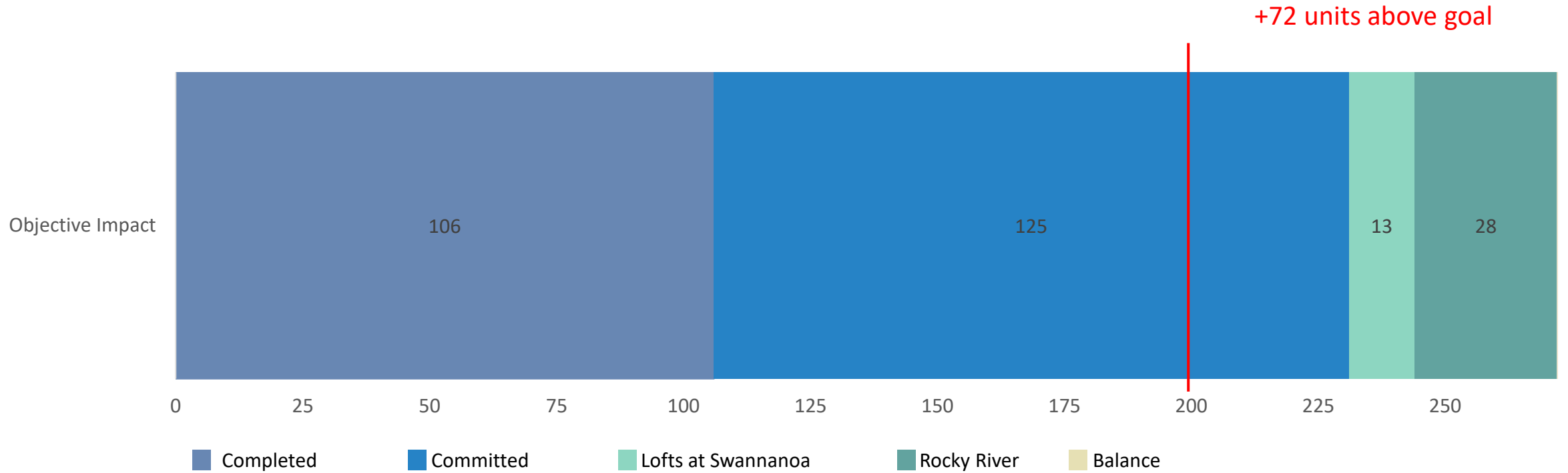
GOAL = 1,480



POTENTIAL IMPACT ON HOUSING GOAL

RENTAL UNITS FOR HOUSEHOLDS AT $\leq 30\%$ AMI

GOAL = 200



RETURNING CONSTRUCTION REQUESTS

FUNDING CONSIDERATIONS

COMMUNITY DEVELOPMENT DIVISION STAFF COMMENTS

- The 4 multifamily rental projects adhere to AHSP requirements, appear eligible for funding, present a healthy financial position, and intend to break ground by June 30, 2025. Full or partial awards may be recommended.
- The requests from Asheville Buncombe Community Land Trust and Vision Property do not align with the existing AHSP guidelines and would require exceptions to receive funding.



NEXT STEPS

Date	Update, Discussion, & Actionable Items
April 23	Action: AHSP Funding Recommendations
April 30	Optional Called Meeting
May 7	Updates: 2024 Point-in-Time Count; Quarterly CDBG-NR, ARPA-FRF, AHSP Contracts and Goals
June 4	Updates: Cross-Departmental Affordable Housing Efforts



ANNOUNCEMENTS



ADJOURN

