

Lee Walker Heights Redevelopment

*FY 2018 Buncombe County Community
Funding*

Asheville Housing Authority

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Application Form

Project Name*

Name of Project

Lee Walker Heights Redevelopment

Amount Requested*

Amount Requested

\$4,200,000.00

Service Area*

Which Commissioner Districts are served by this program?

Access a map of Buncombe County Commissioner districts [here](#).

District 1

Which county sustainability goal aligns best with the goals of this project?*

Based on the Buncombe County Sustainability Plan, select a Category, Goal & Objective that align with the focus of the project and the specific results that will be achieved.

Access the Buncombe County Sustainability Plan [here](#).

Community > Affordable, Green, and Liveable Housing > Provide affordable and workforce housing assistance funding for new developments

If applicable, select a second sustainability goal that aligns with project goals.

Result 2 is optional - Select if project aligns with more than one Sustainability Category, Goal & Objective.

Community > Healthy Environments > Promote healthy buildings and homes

If applicable, select a third sustainability goal that aligns with project goals.

Result 3 is optional - Select if project aligns with more than one Sustainability Category, Goal & Objective.

Community > Citizen Participation in Community Decisions > Value and respect contributions of all Buncombe County citizens

Project Description

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Description of Project

Asheville Housing plans to replace 96 obsolete public housing units at Lee Walker Heights with a new 212-unit mixed income development, that includes replacement of the 96 subsidized units with new project-based voucher units. Lee Walker was built in 1951 and the units in their current configuration cannot be made truly accessible for the elderly or people with disabilities. It is isolated on top of a hill with a single narrow entrance drive.

Asheville Housing and its development partners have engaged in a two-year consultation process with the current Lee Walker residents, including design workshops and multiple listening sessions to seek and incorporate community participation in planning and design of the new development. A steering committee made up of resident volunteers has participated in every step of the process, from the selection of the development team to the design and layout of the site and buildings. The result of that community planning process is a comprehensive master plan published January 8, 2016.

The master plan calls for 212 apartments in seven beautiful new buildings, built to green-design standards to the greatest extent feasible. At least 10% of the units will be accessible for people with disabilities and the entire development will be built to universal design standards. The development will be tobacco-free to enhance health of children and the elderly. 85% of the units will be one- and two-bedrooms to meet City and County housing priorities.

The master plan also calls for a new entrance street from Biltmore Avenue to allow better access for residents, visitors and emergency personnel. The site will be regraded so that entrance can be fully accessible. The City has negotiated a MOU with Duke Energy Progress to allow access over the neighboring parcel adjacent to Biltmore Avenue. There is also potential to develop additional mixed income housing on that parcel, subject to the City reaching a final agreement to acquire that property.

How many people will this project serve?*

State the number of individuals or households in Buncombe County that will be served by this project. Also state the number of people that will experience the desired result. For example, if dropout prevention services are being delivered to 100 students, how many will successfully graduate from high school?

The new development will serve 212 households at any given time. Based on Asheville Housing's current occupancy average of 2 persons per household, we will serve approximately 420 individuals. Included in that number will be all of the current 160 residents who choose to exercise their right to return to the new development.

The intended result of the project is for a range of low-income Buncombe County residents to be able to access affordable housing in downtown Asheville, and all 212 households who are housed at any point in time will achieve that result.

Describe the people this project will serve.*

Characterize the demographics of the project's target population in terms such as age, gender, income, race, ethnicity, geographic area, etc. Include information about method of referral/recruitment of the target population.

All 212 units are projected to house residents earning a range of incomes up to, but no greater than, 60% of area median income. Current 60% income limits, based on household size, range from \$24,360 for a single person to \$40,320 for a family of six.

At least 96 of the units will target current Lee Walker residents and other Asheville Housing applicants. The average annual income of current families is \$9,672, approximately 21% of area median. Rents for those 96 units will be subsidized with project-based vouchers, ensuring that no family pays more than 30% of their adjusted income for rent.

Marketing and leasing will affirmatively further fair housing and will not discriminate based on race, color, religion, national origin, sexual orientation or gender identity. Based on current wait list demand, a number of residents will be people formerly experiencing homelessness. The project will significantly expand our capacity to serve people with disabilities in fully accessible units.

What key steps will you take to achieve the results of this project?*

Describe the core elements of your implementation plan, including milestones that will take place within the funding timeframe.

This project involves converting the current public housing development to project based vouchers under HUD's Rental Assistance Demonstration (RAD) and then securing funds to redevelop the property. Core elements include:

- Resident community outreach: Ongoing, but intensive planning phase completed in 2015-16.
- Master Plan: Completed January 2016
- Close the RAD conversion: January 2017
- Application for non-competitive 4% low income housing tax credits: January 2017
- Secure all local funding commitments (City, County, Housing Authority): May 2017
- Finalize all necessary regulatory approvals and close debt and equity financing: December 2017
- Begin temporary relocation of current residents: January 2018
- Begin demolition and construction: April 2018
- Complete construction of the new development: June 2020.
- Begin return relocation of current residents: July 2020
- Complete lease-up, final close out and cost certification: December 2020

Describe the evidence of success that backs this project's approach.*

What evidence of success (i.e. evidence-based research, practice model, accreditation, industry standards, and/or other framework) are you using as a basis for your project design?

HUD's RAD Program is an innovative effort to convert public housing to long term rental assistance contracts, simplify regulations, and leverage public and private debt and equity financing for redevelopment and long term preservation. To date, RAD projects have leveraged more than \$3.3 billion in construction activity nationwide. Asheville Housing adopted RAD early in the program, converting most of our units in 2014. We are thus well positioned for long term investments like this one to preserve and expand affordable housing in Asheville/Buncombe.

For this project, with resident input, we partnered with Mountain Housing Opportunities based on their successful record over two decades, with more than 750 affordable Low Income Housing Tax Credit (LIHTC) units. LIHTC was created by Congress 30 years ago, to generate private equity investment in projects like this through tax incentives. It is the primary financial engine behind most affordable rental housing development in the US today.

Describe your data collection, tracking, and reporting procedures.*

Explain your methods for documenting project, service and client information. Include a description of any software or other tools utilized.

We track client data through Yardi Voyager, a comprehensive database designed for property and financial management, as well as reporting all necessary program and compliance data to HUD. We will use it to track the residents who are temporarily relocated from Lee Walker Heights, and to ensure that they have the opportunity to return to the new development, unless they voluntarily choose another option. We also use Voyager to track our waiting lists for future residents, including the preferences we provide for homeless applicants and survivors of domestic violence.

For this construction project, our design and construction management teams will work closely during the planning phase, using as many tools of the Integrated Project Delivery model as possible. The construction manager will run a Revit model through their Navisworks software to inform the design process, and generate a 3D computer model to assist the designers and ensure the most cost effective construction process.

Explain your technological resources and capacity.*

Explain your current technological strengths and barriers and how this impacts your ability to track data and report outcomes. Who is responsible for adaptation and use of technology within your organization?

Asheville Housing has a well-developed technology network with eight servers (six physical and two virtual), work stations for all staff who need them, and several community-based computer labs and wireless access points. The system is managed by ADNS, our technology support vendor, which also hosts our voice over internet protocol (VOIP) telephone system and a robust (but not universal) wireless access port system.

Our network has 12 LANs connected by VPN in star topology over broadband internet in our satellite locations and fiber internet at the central office. Each LAN includes wireless access for staff, as well as secure content-filtered access for guests and residents.

We believe this system, along with the property and financial management software discussed above that runs over it, will be fully capable of tracking data and reporting outcomes for this project.

Organizational Profile

How does the proposed project support your mission and strategic plan?*

State your mission and the date of your most recent strategic plan, and explain how the proposed project helps advance your organizational goals.

Asheville Housing's mission is to provide safe, quality, and affordable housing, to expand available resources, and to collaborate with the community to create opportunities for resident self-reliance and economic independence.

Our most recent strategic plan was adopted in July 2015. It tracks the Consolidated Plan of the Asheville Regional Housing Consortium, of which the County is a key partner. This project meets multiple goals of both plans, but to highlight the most important, the first priority of the Con Plan is to expand affordable rental housing for households earning 60% of median income or less, with a special focus on one-bedroom units and units for low-income single wage earner families with children. Our plan's highest priority is the redevelopment of Lee Walker Heights to meet precisely those needs. The new development will serve families in that income range, including single wage earners with children, and the number of one bedroom units will increase from 8 to 96.

What expertise/accomplishments do you have that are relevant to the proposed project?*

List your organization's strengths as well as accomplishments from the past 3 years that position the organization to be successful with the proposed project.

Asheville Housing is an innovative, client-focused public service and property management provider. Accomplishments in the past 3 years include completion of the following:

- \$3.2 million exterior building envelope replacement at Aston Park Tower
- \$5.5 million renovation of the Edington Center, including a new county-funded gym floor
- \$1 million renovation of the terra cotta cornice and brick exterior at the historic Altamont Apts
- Conversion of 1,429 public housing units to long-term voucher contracts under RAD
- Resident-focused Master Plan for this Lee Walker Heights redevelopment
- Expansion of our Family Self Sufficiency and Home Ownership Programs from 2 staff advisors to 6
- Collaboration with the County and Homeward Bound to convert Woodfin Apartments to serve the hardest-to-house within our homeless population

In that same time frame, our co-developer MHO has completed and placed in service 125 rental units affordable to families earning 60% of median income or less.

Describe partners that are critical to the success of your organization.*

List any external partners, intermediaries or advisors important to your success, and describe their role and evidence of their commitment. Describe successful collaborations with these people or groups.

Our key development partner for this project is Mountain Housing Opportunities, discussed in other parts of this application. MHO has an extensive record of success as a non-profit developer of affordable housing, particularly under the LIHTC program. Other key partners include:

- David Baker Architects, a San Francisco based design firm specializing in innovative, energy efficient, and healthy-built affordable housing design.
- McMillan Pazdan Smith, our local architect of record that has worked with David Baker on other regional affordable housing projects.
- Civil Design Concepts and Sitework Studios, both accomplished local engineering and design specialists.
- WeaverCooke Construction, a Greensboro-based construction manager with extensive experience building affordable housing throughout the state.
- Green Opportunities, our Section 3 training partner, that will provide training and labor-ready opportunities for Asheville Housing and other low-income Buncombe County residents.

Financial Information

Nonprofit financial assurance requirements:

Financial statements, prepared using a recognizable basis of accounting (i.e., modified accrual) and IRS Form 990s must be submitted to Buncombe County annually.

- Organizations with annual revenues of \$300,000 or greater must submit financial statements audited in accordance with generally accepted auditing standards.
- Those with revenues between \$100,000 and \$300,000 must submit financial statements reviewed in accordance with SSARS 19.
- Those with revenues of less than \$100,000 must submit non-disclosure financial statements compiled in accordance with SSARS 19.

All financial statements must be reported on by a certified public accountant and include a full balance sheet, income statement, and cash flow statement.

These requirements are considered minimum requirements. Organizations may submit a higher level of assurance than is required.

IRS Form 990 - Upload Here

Click Choose File to upload a copy of the 990 form you most recently completed.

If your organization does not have a 990, briefly state the reason.

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

Asheville Housing is a quasi-governmental entity (a "body corporate and politic") established under North Carolina law, NCGS Chapter 157, and is not required to file Form 990.

Financial Statements - Upload here

Click Choose File to upload a copy of the most recently completed financial statements (audit, compilation or review).

HACA FY2015 Audit Report.pdf

If your organization does not have financial statements, briefly state the reason.

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

Audit report attached.

Complete Budget Worksheet - Upload Here*

Download the budget form [Here](#).

Complete the budget form for this project/program and the overall agency. Save it to your computer, then upload it by clicking Choose File.

community-funding-budget-form-Asheville Housing-Lee Walker.xlsx

Budget Narrative*

Describe all differences between current year and proposed year. List all pending funding sources with expected date of notification. Please detail any other information that may help clarify the budget.

As widely reported, we applied for a 9% LIHTC award in 2016 to fund a first phase of 120 units at Lee Walker. We were unsuccessful in that cycle because the program is highly competitive and another Buncombe County project won the award. We requested no County funds, intending to do so for a later phase of development.

We have adjusted strategy and now plan to apply for the generally non-competitive 4% LIHTC program, and complete all 212 units on the current property in a single phase. Because the 4% credit generates less private equity than the 9%, and because of the expanded scope, we need additional local funding commitments. We are asking the County to match the City's commitment of \$4.2 million (just under \$20,000 per unit) over three years. To maximize private equity and minimize financing costs, we respectfully request a front-loaded distribution - \$2.5 million in year 1, \$1.2 million in year 2, and \$500,000 in year 3.

Please also see our technical notes in the worksheet.

What (if any) portion of requested funds will be used to support capital expenses?*

Capital projects are defined as those used to acquire or upgrade physical assets such as property, buildings, or equipment. Please detail.

100% of the funds requested will be used as part of a project to upgrade physical assets, including property, buildings and equipment.

Employee Wages

Please provide information about the wage breakdowns of your employees. Living wage for Buncombe County has been identified as \$11.00 per hour for employees with employer-provided health insurance and \$12.50 per hour for employees without.

Employees with employer-provided health insurance*

List the number of employees in your organization with employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$10.99 per hour

\$11.00 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour

\$40.00+ per hour

Full-time employees with employer-provided health insurance:

7.25 - 10.99: 0 employees

11.00-14.99: 18 employees

15.00-19.99: 36 employees

20.00-24.99: 17 employees

25.00-29.99: 7 employees

30.00-34.99: 8 employees

35.00-39.99: 0 employees

40.00+/hour: 3 employees

Employees without employer-provided health insurance*

List the number of employees in your organization without employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$12.49 per hour

\$12.50 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour
\$40.00+ per hour

Part-time employees, working less than the number of hours (30) required for health insurance coverage:

7.25 - 12.49: 4 employees
12.50-14.99: 7 employees
15.00-19.99: 2 employees
20.00-24.99: 2 employees
25.00-29.99: 1 employee
30.00-34.99: 0 employees
35.00-39.99: 0 employees
40.00+/hour: 0 employees