



# Affordable Housing Goals

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*Presented by*

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# AFFORDABLE HOUSING NEED

1. Families that pay more than 30% of their total income to housing costs are considered “cost burdened.”
2. Bowen Report: 7,349 households in Buncombe County are “severely cost burdened” – paying more than 50% of their total income in housing costs.
3. Bowen Report: Greatest housing need is for affordable rental units, especially efficiency and 1 bedroom units. There is also a significant need for 2 and 3 bedroom units as well.



# AFFORDABLE HOUSING GOALS

**“Buncombe County will impact 2,800-3,150 affordable housing units by 2030.”**

- 1,500-1,850 rental units for households at  $\leq$  80% AMI with an average at  $\leq$  60% AMI across all households. 1200 units should leverage the LIHTC program.
- 400 ownership units for households at  $\leq$  80% AMI
- 500 repair units for households at  $\leq$  80% AMI
- 400 ownership or rental units for households at  $>$  80% to  $\leq$  120% AMI

Category	Rental Need
<30% AMI	1,124
30%-50% AMI	1,044
51%-80% AMI	1,030
<b>Total</b>	<b>3,198</b>

Category	Ownership Need
<80% AMI	845
<b>Total</b>	<b>845</b>

Category	Repair Need
<80% AMI	445
<b>Total</b>	<b>445</b>

Category	80-120% Need
80-120% AMI Rental	904
80-120% AMI Ownership	2,673
<b>Total</b>	<b>3,577</b>



# AGENDA

1. Consider potential value of county owned land for affordable housing goals
2. Discuss investment needed to achieve county goals
3. Consider financing scenarios
4. Discuss potential recommendations to the County Commission for policies and strategies to meet goals



# COUNTY-OWNED PROPERTY

County Property	# of units	Value of land contribution at \$15K per unit
Coxe Ave	200	\$3M
31 Woodfin*	0	
Valley Street	200	\$3M
Ferry Road	600	\$9M
<b>TOTAL</b>	<b>1000</b>	<b>\$15M</b>

\*Scenario assumes development projects move forward on three of the four properties by 2030.

## FURTHER CONSIDERATIONS:

- Encourage analysis of other publically-owned lands for affordable housing
- Consider locations throughout the county

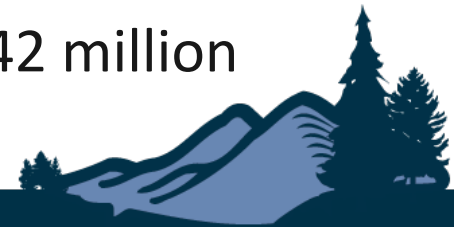


# INVESTMENT STRATEGIES

Current funding levels provide \$20 million by 2030.

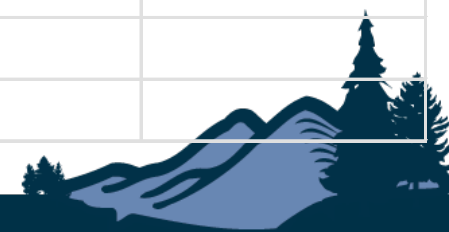
Three key policy and budget options could make the goal potentially possible:

- 1) Increase annual funding from \$2.5 million to \$3.8 million and add annual index of 2.5% per year. This would raise about \$12 million in additional funds
  - 2) Develop 1,000 affordable/ workforce units on Coxe Ave, Woodfin, Valley and Ferry Rd properties. At \$15,000 per unit value – \$15 million contribution of free land.
  - 3) Allocate \$15 million of ARPA funding to affordable housing (around \$7.5 million has already been allocated from round 1) for these projects: Days Inn (\$3 mm), Habitat for Humanity (\$1.6 mm), MHO Lakeshore Apts (\$2.5 mm), Buncombe County Home Repair (\$400,000)
- Potential increase in county investment in affordable housing by 2030: \$42 million
  - Total county investment (current funding levels plus above): \$62 million



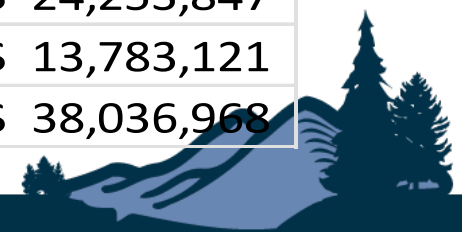
# COST TO ACHIEVE OWNERSHIP, 80-120% AMI, REPAIR GOALS

	aff home owner units	investme nper unit w 3% index	Total investment homeowners hip		workforce units	investmen t per unit 3% index	total investment workforce units		home repair units	investment per unit 3% index	total investment home repair
2022	50	\$ 40,000	\$ 2,000,000		50	\$ 17,500	\$ 875,000		50	\$ 4,500	\$ 225,000
2023	50	\$ 41,200	\$ 2,060,000		50	\$ 18,025	\$ 901,250		50	\$ 4,635	\$ 231,750
2024	50	\$ 42,436	\$ 2,121,800		50	\$ 18,566	\$ 928,288		50	\$ 4,774	\$ 238,703
2025	50	\$ 43,709	\$ 2,185,454		50	\$ 19,123	\$ 956,136		50	\$ 4,917	\$ 245,864
2026	50	\$ 45,020	\$ 2,251,018		50	\$ 19,696	\$ 984,820		50	\$ 5,065	\$ 253,239
2027	50	\$ 46,371	\$ 2,318,548		50	\$ 20,287	\$ 1,014,365		50	\$ 5,217	\$ 260,837
2028	50	\$ 47,762	\$ 2,388,105		50	\$ 20,896	\$ 1,044,796		50	\$ 5,373	\$ 268,662
2029	50	\$ 49,195	\$ 2,459,748		50	\$ 21,523	\$ 1,076,140		50	\$ 5,534	\$ 276,722
total	400		\$17,784,672		400		\$ 7,780,794		400	\$ 5,700	\$ 2,000,776
			Total investment				\$ 27,566,242				
			Total number of units				1,200				
			County cost if 50% of total				\$ 13,783,121				



**Scenario 1: All tax credits: 50 units 9% project and 138 units 4% project each year**

	9% units	investment needed per unit w 3% index	Total investment in 4% units		4% units	9% units w 3% index	Total investment in 9% units
2022	50	\$ 12,500	\$ 625,000		138	\$ 35,000	\$ 4,830,000
2023	50	\$ 12,875	\$ 643,750		138	\$ 36,050	\$ 4,974,900
2024	50	\$ 13,261	\$ 663,063		138	\$ 37,132	\$ 5,124,147
2025	50	\$ 13,659	\$ 682,954		138	\$ 38,245	\$ 5,277,871
2026	50	\$ 14,069	\$ 703,443		138	\$ 39,393	\$ 5,436,208
2027	50	\$ 14,491	\$ 724,546		138	\$ 40,575	\$ 5,599,294
2028	50	\$ 14,926	\$ 746,283		138	\$ 41,792	\$ 5,767,273
2029	50	\$ 15,373	\$ 768,671		138	\$ 43,046	\$ 5,940,291
total	400		\$ 5,557,710		1104		\$ 42,949,983
		Total investment 4% and 9% tax credit units					\$ 48,507,693
		Total number of units					1,504
		County funding for 1500 aff apts if 50% of the total					\$ 24,253,847
		County funding for other housing goals					\$ 13,783,121
		Total county funding to meet all goals					\$ 38,036,968





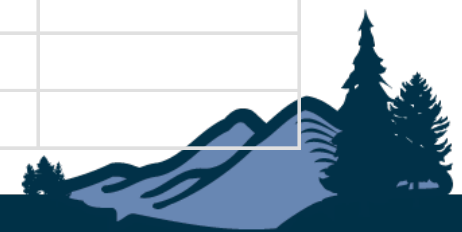
## Scenario 2: No tax credit units except 50 units per year under 9% project per y

	9% units	investment per 3% index	Total investment in 9% units w 3% index		apts w no tax credit	3% escalator	total investment in non tax credit units
2022	50	\$ 12,500	\$ 625,000		138	\$144,000	\$ 19,872,000
2023	50	\$ 12,875	\$ 643,750		138	\$148,320	\$ 20,468,160
2024	50	\$ 13,261	\$ 663,063		138	\$152,770	\$ 21,082,205
2025	50	\$ 13,659	\$ 682,954		138	\$157,353	\$ 21,714,671
2026	50	\$ 14,069	\$ 703,443		138	\$162,073	\$ 22,366,111
2027	50	\$ 14,491	\$ 724,546		138	\$166,935	\$ 23,037,094
2028	50	\$ 14,926	\$ 746,283		138	\$171,944	\$ 23,728,207
2029	50	\$ 15,373	\$ 768,671		138	\$177,102	\$ 24,440,053
total	400		\$ 5,557,710		1104		\$ 176,708,502
		Total investment 4% and 9% tax credit units					\$ 182,266,212
		Total number of units					1,504
		County funding if 50% of total					\$ 91,133,106
		County funding for other housing goals					\$ 13,783,121
		Total county funding to meet all goals					\$ 104,916,227

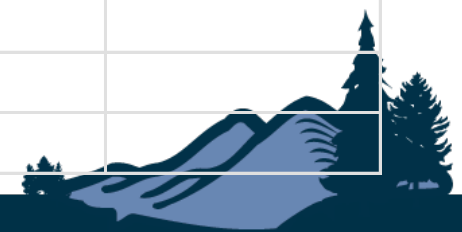


### Scenario 3: \$56 million county investment using 80% tax credit/ 20% no tax credit

	9% units	investment per unit w 3% index	Total investment in 9% units	4% units	investment per unit w 3% index	total investment in 4% units	non tax credit units	investment per non tax credit unit w 3% index	total investment in non tax credit units
2022	50	\$ 12,500	\$ 625,000	100	\$ 35,000	\$ 3,500,000	38	\$ 144,000	\$ 5,472,000
2023	50	\$ 12,875	\$ 643,750	100	\$ 36,050	\$ 3,605,000	38	\$ 148,320	\$ 5,636,160
2024	50	\$ 13,261	\$ 663,063	100	\$ 37,132	\$ 3,713,150	38	\$ 152,770	\$ 5,805,245
2025	50	\$ 13,659	\$ 682,954	100	\$ 38,245	\$ 3,824,545	38	\$ 157,353	\$ 5,979,402
2026	50	\$ 14,069	\$ 703,443	100	\$ 39,393	\$ 3,939,281	38	\$ 162,073	\$ 6,158,784
2027	50	\$ 14,491	\$ 724,546	100	\$ 40,575	\$ 4,057,459	38	\$ 166,935	\$ 6,343,548
2028	50	\$ 14,926	\$ 746,283	100	\$ 41,792	\$ 4,179,183	38	\$ 171,944	\$ 6,533,854
2029	50	\$ 15,373	\$ 768,671	100	\$ 43,046	\$ 4,304,559	38	\$ 177,102	\$ 6,729,870
total	400		\$ 5,557,710	800		\$ 31,123,176	304	\$ 182,415	\$48,658,863
			Total investment in all units			\$ 85,339,749			
			Total number of units			1,504			
			County cost if 50% of total			\$ 42,669,875			
			County funding for other housing goals			\$ 13,783,121			
			Total county funding to meet all goals			\$ 56,452,996			



<b>Scenario 4: \$56 million county investment using 90% tax credits</b>											
	9% units	investment needed per unit	Total investment		4% units	3% escalator	total investment		no tax credit	3% escalator	total investment
2022	50	\$ 12,500	\$ 625,000		160	\$ 35,000	\$ 5,600,000		23	\$ 144,000	\$ 3,312,000
2023	50	\$ 12,875	\$ 643,750		160	\$ 36,050	\$ 5,768,000		24	\$ 148,320	\$ 3,559,680
2024	50	\$ 13,261	\$ 663,063		160	\$ 37,132	\$ 5,941,040		24	\$ 152,770	\$ 3,666,470
2025	50	\$ 13,659	\$ 682,954		160	\$ 38,245	\$ 6,119,271		24	\$ 157,353	\$ 3,776,465
2026	50	\$ 14,069	\$ 703,443		160	\$ 39,393	\$ 6,302,849		24	\$ 162,073	\$ 3,889,758
2027	50	\$ 14,491	\$ 724,546		160	\$ 40,575	\$ 6,491,935		24	\$ 166,935	\$ 4,006,451
2028	50	\$ 14,926	\$ 746,283		160	\$ 41,792	\$ 6,686,693		24	\$ 171,944	\$ 4,126,645
2029	50	\$ 15,373	\$ 768,671		160	\$ 43,046	\$ 6,887,294		24	\$ 177,102	\$ 4,250,444
total	400		\$ 5,557,710		1280		\$ 49,797,082		191	\$ 182,415	\$30,587,913
			Total community investment				\$ 85,942,705				
			Total number of units				1,871				
			County cost if 50% of total				\$ 42,971,353				
			County funding for other housing goals				\$ 13,783,121				
			Total county funding to meet all goals				\$ 56,754,474				





# 4% LIHTC Project Comparison

## Wake County

Units Type	Target Population	Year
164 New Construction	Family	2021
124 New Construction	Family	2021
228 Rehabilitation	Family	2021
170 New Construction	Family	2021
156 New Construction	Senior	2021
192 New Construction	Family	2021
90 New Construction	Family	2021
132 New Construction	Family	2021
56 New Construction	Senior	2020
164 New Construction	Senior	2020
192 New Construction	Family	2020
154 New Construction	Family	2019
216 New Construction	Family	2019
200 New Construction	Family	2019
120 New Construction	Family	2018
40 Rehabilitation	Senior	2018
120 New Construction	Senior	2018
161 Rehabilitation	Senior	2018
96 New Construction	Senior	2018
96 New Construction	Senior	2018
144 New Construction	Family	2018
120 New Construction	Family	2018
180 New Construction	Family	2018
<b>3,315 Total Units</b>		

## Durham County

Units Type	Target Population	Year
110 New Construction	Family	2021
82 New Construction	Family	2021
132 New Construction	Family	2021
168 New Construction	Family	2021
82 New Construction	Family	2020
100 Rehabilitation	Family	2020
168 New Construction	Family	2020
177 Rehabilitation	Senior	2019
80 New Construction	Senior	2019
<b>1,099 Total Units</b>		

## New Hanover County

Units Type	Target Population	Year
202 Rehabilitation	Family	2019
<b>202 Total Units</b>		

## Buncombe County

Units Type	Target Population	Year
116 Rehabilitation	Senior	2019
<b>116 Total Units</b>		

## Orange County

Units Type	Target Population	Year
<b>0 Total Units</b>		



## Policy Considerations

- 1) Consideration of endorsing goals of a minimum of 1,500 new affordable apts with a stretch goal of 1,887 units, 400 affordable homeownership units, 400 new workforce units and 500 home repair projects.
- 2) Consider investing at least \$62 million by 2030 to achieve goals through three pathways:
  - Increase annual funding to \$2.5 to \$3.8 million
  - Invest \$15 million of ARPA funds in affordable housing goals (about \$7.5 million already invested)
  - Contribute approximately \$15 million in county owned land to affordable and workforce housing development.
- 3) Consider supporting bringing forward a bond referendum in either 2022 or 2024 for affordable housing. Passage of a bond referendum would assure there are the financial resources in place to meet and expand these goals. However, we should not wait for a bond to commit to the goals.
- 4) Consider a strategy for development of new affordable rental units, support Scenario 4 to optimize the number of new affordable units developed by 2030 while considering projects already in the pipeline and having some future flexibility.

