

Ferry Road Community

Evaluation of Developer Responses

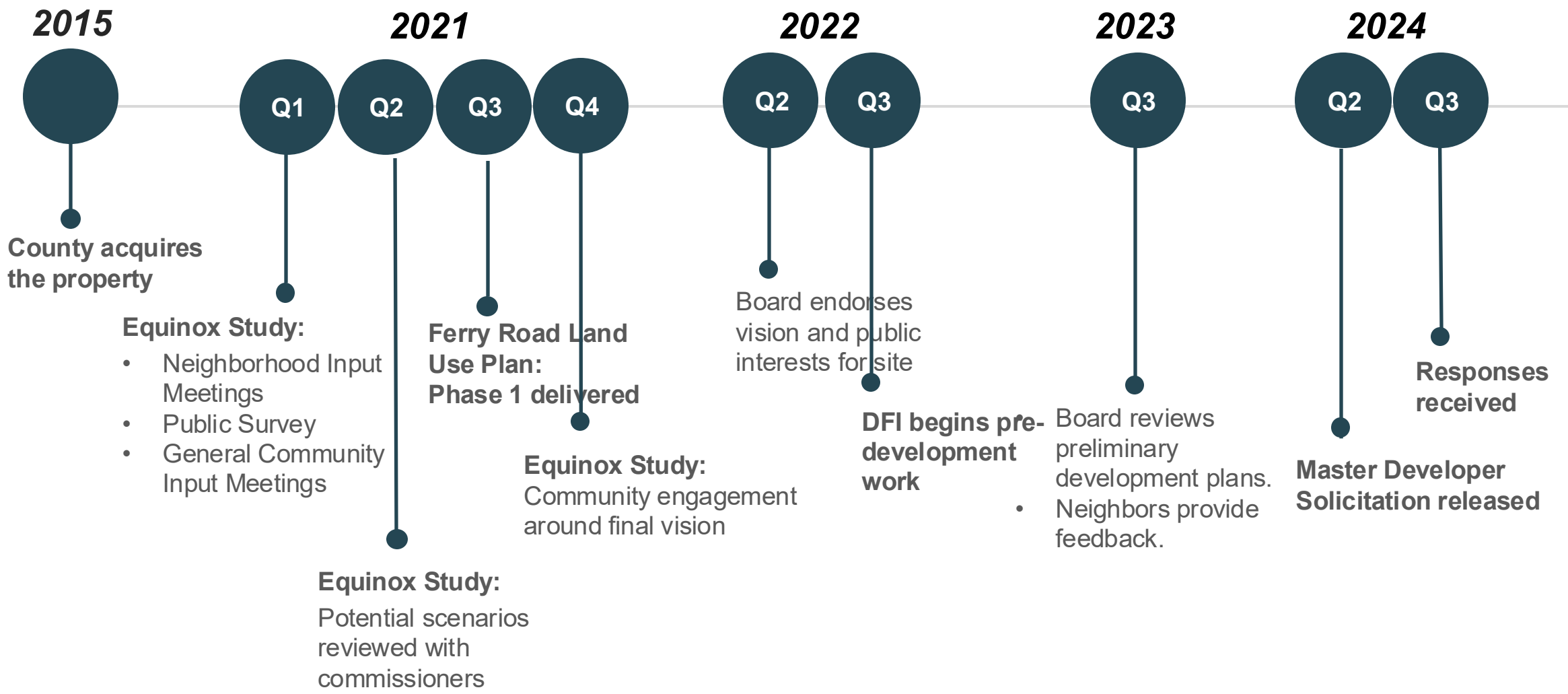


SCHOOL OF GOVERNMENT

Development Finance Initiative



Ferry Road History



SOLICITATION FOR MASTER DEVELOPMENT PARTNER

FERRY ROAD SITE | ASHEVILLE | BUNCOMBE COUNTY | NC



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 property¹):
 - 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 million².
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 investment³ 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.

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.



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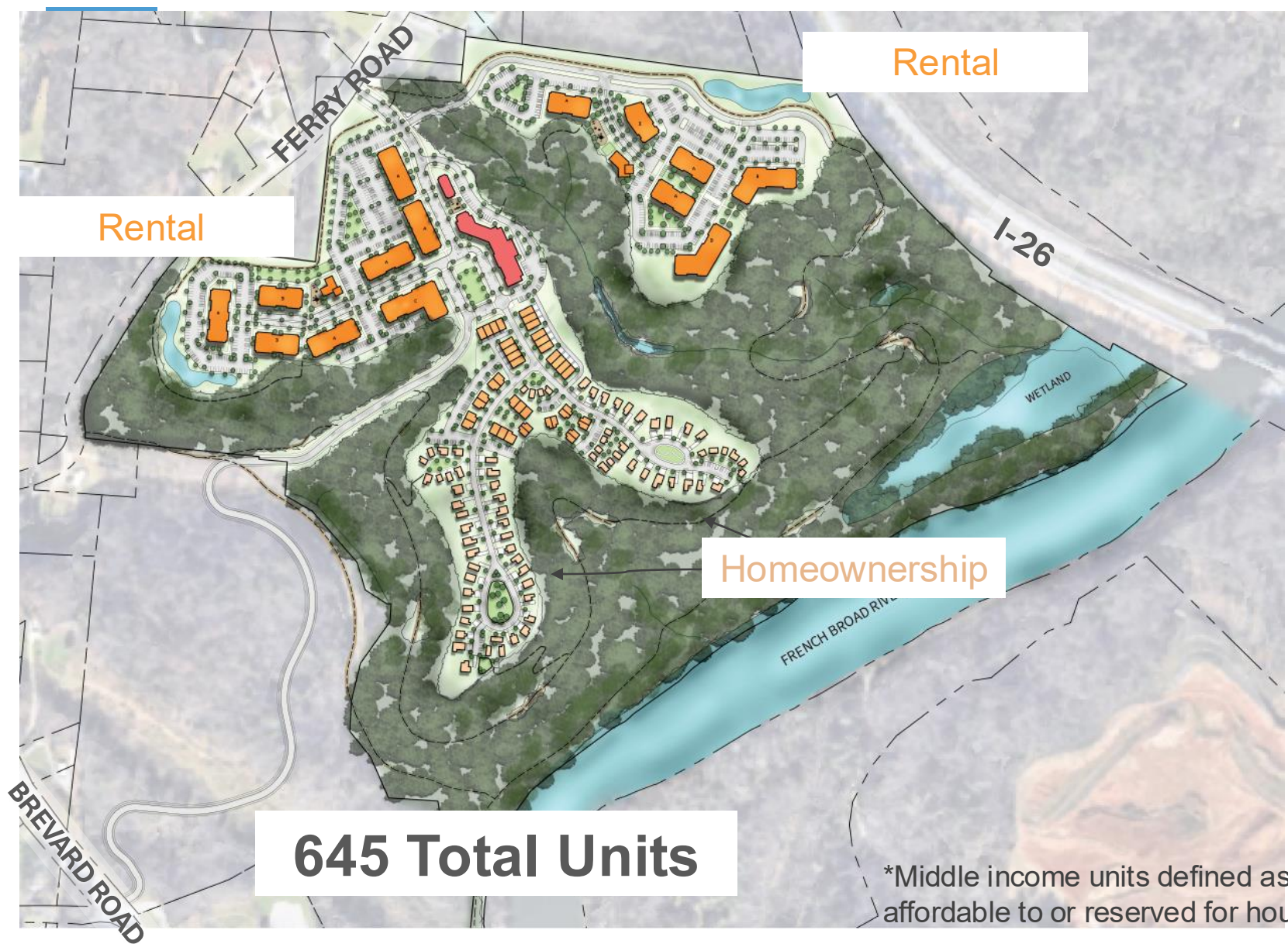
Development
Finance Initiative

Guiding Public Interests

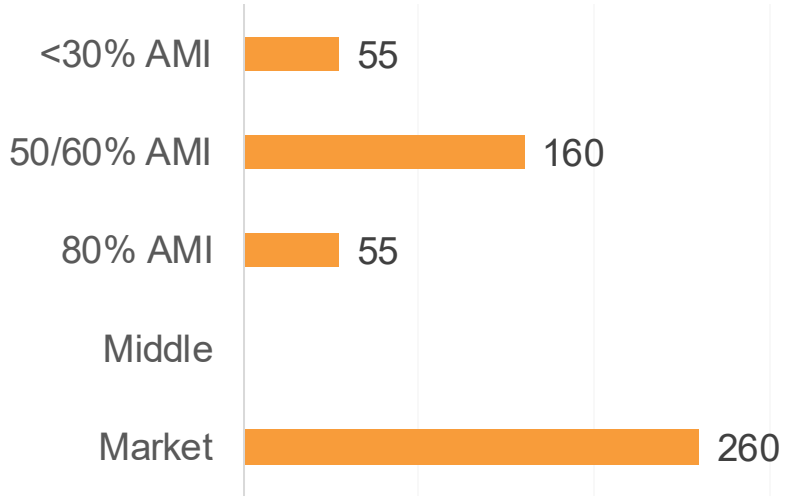
Development of the Ferry Road site should:

- Create a diverse, mixed-income, multi-generational community
- Be a model for sustainability & 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 pedestrian and bicyclists
- Include commercial or service-oriented uses that are harmonious with residential uses
- Optimize public investment and attract private investment

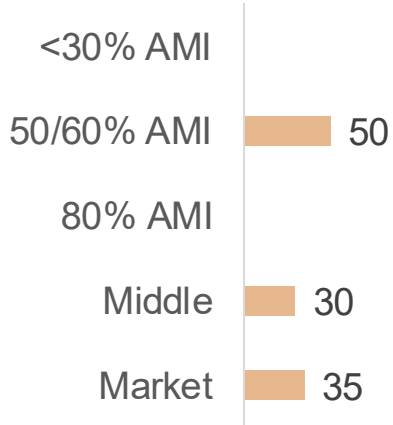
Ferry Road Development Goals



530 Rental Units



115 Homeownership Units



*Middle income units defined as unsubsidized units that are “naturally” affordable to or reserved for households earning 80-100% AMI

Proposal Evaluation Process

- Reviewed feasibility of proposed development plans (layout, financials, level of public investment, etc.)
- Checked LMG references and UA references
- Requested clarifying information from development teams
- Equinox Environmental reviewed plan compatibility with conservation area
- Received feedback from County staff in Community Development, Economic Development, Engineering, Office of Equity and Human Rights, Finance, Land Resources, Recreation, and Sustainability
- Management team interviewed development teams

Proposals provide important information on the development team, how they think, and what kind of partner they may be.

- Help hold developers accountable prior to development agreement.
- Are inherently marketing documents.
- Proposals are NOT final designs or estimates.
- Development agreement will be with the master developer.

Lansing Melbourne Group

Master Development Partner

Development Components

LMG

*Horizontal Development
Market Rate Multifamily
Market Rate For Sale*

Volunteers of America
LIHTC Multifamily

Habitat for Humanity
Affordable For Sale

Planning & Design

City Collective
Master Planning

Bowman
Civil Engineer

Unique Places to Save
Conservation Specialists

Urban Atlantic

Master Development Partner

Development Components

Urban Atlantic
*Horizontal Development
Market Rate Multifamily
LIHTC Multifamily*

Mountain Housing Opportunities
*Affordable for Sale
LIHTC Multifamily*

DRB Group
Market Rate For Sale

Planning & Design

Hord Coplan Macht
Master Planning

Civil Design Concepts
Civil Engineer

Alta Planning + Design
Trails

Southern Energy Management
Sustainability

Allen Stahl + Kilbourne
Land Use

Did the proposals demonstrate the following?

Alignment with the guiding public interests

Qualifications and experience of the Master Development Partner

Qualifications and experience of development partner

If affordable homeownership, experience qualifying low-income households for homeownership

Positive references from local governments

Ability to deliver the type and scale of development proposed

Reasonable timeline

Inclusion of assumptions that reflect market conditions

Ability to adhere to MWBE requirements

UA Master Development Experience

- Public-private partnerships
- Master development plan execution
 - Mixed-income w/ <60% AMI, multi-generational, and shared amenities
- Coordination of multiple development partners
- Implementation of community operations plan



UA Master Development Experience

Project Examples:

PROJECT NAME	LOCATION	ACRES	PROGRAM	YEAR COMPLETED
THE PARKS AT WALTER REED	Washington, DC	66	3.1MM SF Multifamily, Townhome, Community, Retail, Office	2027 anticipated; 585,000 SF under development
NEW CARROLLTON METRO	New Carrollton, MD	40	2.7MM SF Multifamily, Office, Retail	2030 anticipated; 500,000+ SF under development
ARTHUR CAPPER/CARROLLSBURG	Washington, DC	21	2.75MM SF Multifamily, Townhome, Community, Commercial	2023 anticipated; 950,000 SF completed; 180,000 SF under construction
WILLOW OAKS	Greensboro, NC	100+	519 Units Multifamily, Townhome; 23,000 SF Commercial	2007
TRELLA UPTOWN	Charlotte, NC	2.17	346 Units Multifamily, Townhome; 30,000 SF Retail and Community	2026 anticipated;

Mountain Housing Opportunities Experience

Homebuilding?	Yes	Eligible for LIHTC in NC?	Yes
Qualifying low-income homeowners?	Yes	Tax exempt bond/4% LIHTC?	Yes

PROJECT INFO

Use:
Mixed-Use Commercial/
Affordable Housing

Size:
7,500 SF Commercial/
Retail + 62 Affordable
Apartments

Total Project Cost:
\$22 Million

Completion Date:
2019

Key Features:
Transformational re-
development in Asheville's
historic African-American
business district



Eagle Market, Asheville

PROJECT INFO

Use:
Affordable Housing

Size:
212 Affordable
Apartments

Total Project Cost:
\$41 Million

Completion Date:
Under construction,
expected in 2021

Key Features:
Community-engaged
master plan; Transformed
oldest Housing Authority
development



Lee Walker Heights, Asheville

Urban Atlantic Site Plan

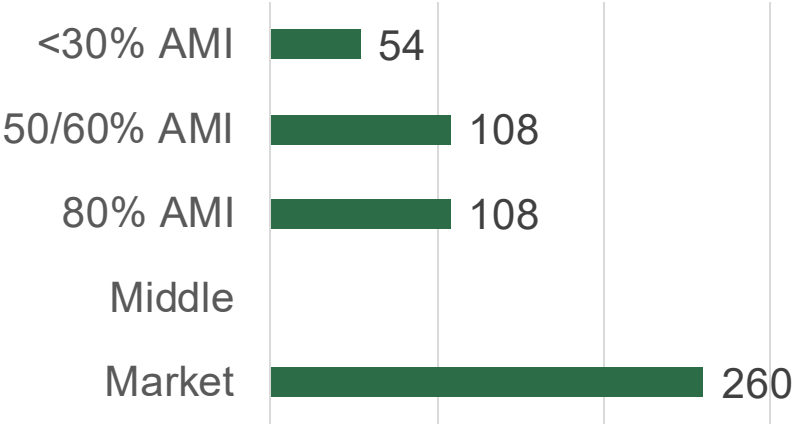
- | | |
|-------|---|
| 1 | Public Conservation |
| 2 & 3 | Alternating Buildings: <ul style="list-style-type: none">• Family LIHTC• Market-Rate Multifamily• Community amenities (part of market, open to all residents) |
| | Senior LIHTC |
| 4 | Affordable Homes
Market-Rate Homes |
| 5 | Daycare + Health |



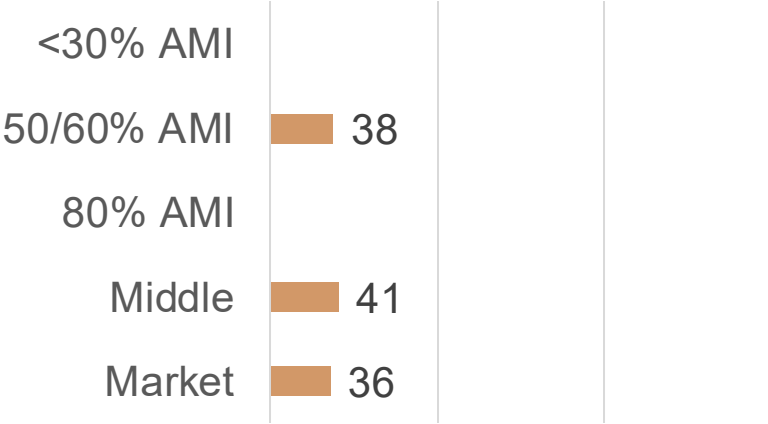
Urban Atlantic Proposed Affordability



530 Rental Units



115 Homeownership Units



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Proposed Timeline (as of Sept '24)



Timeline delayed by approximately six months following Hurricane Helene.

Total development cost: \$160M+

(in million \$) Urban Atlantic/MHO

Funding Gap – Attributed to County	\$19
Funding Gap – Attributed to Other	\$7
Total Potential Funding Gap	\$26
<i>Per unit <80% AMI</i>	<i>\$84,400</i>
<i>Total Units <80% AMI</i>	<i>308</i>
Purchase from County	(\$4.2)

Additional Financial Considerations

- Market is uncertain. Costs will shift.
- Assume a property tax exemption for the non-profit low-income housing provider on the LIHTC components.
- Preference for deeper affordability, or other income mix, would change funding gap.
- Availability of Project Based Vouchers, currently included in estimates, still uncertain.
- Daycare and health space build out and operational needs still TBD.
- County statutory authority to participate dependent on approach.

Next Step

- June 17, 2025 – Board of Commissioners authorize the County Manager to enter into negotiations with selected developer to develop a Memorandum of Understanding.
 - MOU: A nonbinding agreement outlining each parties' responsibilities and establishing milestones before a Development Agreement can be executed.

