

**BUNCOMBE COUNTY
WORKFORCE HOUSING PROGRAM**



RENTAL INCENTIVE APPLICATION GUIDELINES

**Buncombe County
Department of Planning and Development
January 2011**

- A. Introduction:** Buncombe County Commissioners adopted a Workforce Housing Policy for Rental Incentives in January 2011.
- The policy exists because affordable housing opportunities for all segments of the community are an important part of developing and maintaining a healthy economy and diverse workplace. The difficulties working families face in affording a safe and decent place to live in our area has given rise to the need to create additional incentives for the private and non-profit sector to develop affordable workforce housing.
- B. Eligible Activities:** The following types of projects will be eligible for assistance through this program:
- Construction of new or rehabilitated residential rental housing for low and moderate income
- C. Eligible Developers:** Developers may be:
- For-profit corporations, partnerships, or sole proprietors;
 - Private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; and
 - Public non-profit agencies and governmental agencies, including the County (which may itself operate projects assisted by the WFHP).
- D. Eligible Use of Funds:** Funding assistance is limited to projects within Buncombe County, including within any of the County's six municipalities.

E. Affordability: To be considered “affordable”, the rental housing must be rented at or below the Workforce Housing Rental Rate (see Appendix 1), and rented to families at or below 140% area median income (adjusted for family size).

Appendix 1 provides information on income levels and rental rates that meet these criteria.

The project must guarantee that the units will remain at fair market rental rates throughout the 15-year period.

F. Timeframe: Projects must be scheduled to break ground within 18 months of submission of application.

G. Incentive/Loan Amount: The incentive grant will be calculated on a percentage of the increased annual tax value resulting from the construction of new or rehabilitated residential rental housing. The first incentive payment will be made after the first full year of occupancy and annually thereafter for up to five years based on the investment schedule shown in Appendix 2.

On a case-by-case basis, the Board of Commissioners may provide funding through a deferred construction loan. Assistance can be provided up to \$2,500 per unit. Additional funding up to \$2,500 per unit may be awarded for a combination of the following: energy efficient design¹ and inclusion of ADA accessible units (up to \$500 per unit); multiple designs and number of rooms offered within development (\$500); if greater than 50% of the workforce units provided are rented to families at or below 100% of the AMI (\$500); and if 50% of the units provided are rented below the fair market rental rate for that size unit (\$1,000). Consideration will be given to the number of bedrooms per unit as well as the square footage in each unit assisted.

H. Program Terms and Loan Terms: The project must be located within Buncombe County. There must be a minimum of 50 units of workforce housing units proposed, and all units must be rented at or below the Workforce Housing Rental Rate-30 percent of what a family at 80% of AMI can afford without being cost burdened (See Appendix 1).

Housing must be rented to families who intend to use the home as their primary residence, and to fulltime residents of Buncombe County. Affordable units may be and are encouraged to be mixed with market rate units within the same development.

Housing must be rented to families at or below 140% of the AMI.

¹ Energy efficient design could include several components such as *site orientation* to take advantage of natural daylight; *exterior shading devices* such as trees, sunshades, or dual glaze windows; *Energy Star rated* roof, doors, windows, and appliances; *building materials* that are constructed with non-toxic materials or renewable sources; or other considerations.

The developer must provide copies of the rental documents with information on each tenants' income. The long term requirements for use of the rental units by low and moderate income families for the fifteen year period shall be documented by deed restrictions, recorded covenants, or any other method designed to ensure that the rental units are rented at or below the fair market rental rate throughout the program. Through the Loan method, A Note and Deed of Trust will be recorded between the County and the developer for the construction period for the fifteen year period.

H. Good Faith Efforts:

The County will require all developers to abide by Fair Housing principles, which prohibit discrimination based on race, age, gender, religion, national origin, disability, or family status. Units constructed with Buncombe County's WFHP must be openly marketed to ensure fair housing choices.

I. Minority Business Participation:

The County has adopted a Minority Business Plan to encourage participation by minority and women-owned businesses in County assisted projects. Bidders are hereby notified that this bid is subject to the provisions of that Plan to outreach to minority businesses for this RFP. Questions regarding the Minority Business Plan may be directed to County Finance at (828) 250-4800. You can access two sources for certified minority firms at www.ashevillenc.gov/admin/Economic/Minority.htm and www.doa.state.nc.us/hub to search for vendors. It is the policy of the County to (1) provide minorities an equal opportunity to participate in all aspects of its contracting and procurement programs and (2) prohibit any and all discrimination against persons or businesses in pursuit of these opportunities.

J. Review Procedure:

Applications will be reviewed by the WFHP Application Review Committee and scored according to criteria based on the degree to which the activity follows the established goals, as well as other factors such as the public purpose; community impact; financial feasibility; applicant's experience and capability to successfully complete the proposed activity; the degree to which funding is leveraged with additional investment; the degree to which the project coordinates with local employers; and the number of beneficiaries for the proposed project.

Recommendations will be submitted to the Board of Commissioners for final approval. Projects will be evaluated on an individual basis. Availability of funds or changing conditions may cause the Board of Commissioners to modify, amend, or discontinue this program.

L.Administration: Staff of the Planning and Development Department and Finance Department will administer the WFHP, with assistance from the County Legal Department, under the general direction of the County Manager.

APPLICATION INSTRUCTIONS

Complete the application form manually or electronically. It can be downloaded from the County's website at www.buncombecounty.org under the Planning Department's housing section.

Submit the application in printed form or via e-mail. Additional printed documentation, photographs and maps may be attached to clarify the project description, experience of the developer, etc. The program is ongoing, and applications will be accepted year-round.

In printed form, the original and one copy should be submitted to:
Buncombe County
Department of Planning and Development
46 Valley Street
Asheville, NC 28801

Applications should be fastened with a paper clip or other fastening that can easily be undone for copying. Please do not use binders, covers, staples, or page tabs.

For applications submitted electronically:

The completed application should be submitted via e-mail to Jon.Creighton@buncombecounty.org

Applications and attachments must be submitted in Microsoft Word or Adobe PDF format. Attachments should be in B/W and not larger than 8 1/2" x 14". If any pages are larger or in color, do not submit application via e-mail.

The County reserves the right to act as sole judge of the content of the applications submitted for evaluation, selection and may, at its sole discretion, reject any or all applications.

The County will not be liable for any cost incurred in connection with preparation and submittal of any application.

**BUNCOMBE COUNTY
APPLICATION FOR WORKFORCE HOUSING RENTAL PROGRAM
2010**

A. SUMMARY

Project Title:

Project Location:

No. of units:

Incentive/Loan Amount Requested: \$

APPLICANT INFORMATION

B1. Applicant's Name:
(Doing Business As)

B2. Applicant's Address:

City/State/Zip:

Telephone Number:

B3. Contact Person:

Title:

Telephone No:

FAX No:

E-Mail Address:

B4. Type of Organization (select one):

Non-Profit Corporation

Sole Proprietorship

General Partnership

Limited Liability Corp

Limited Partnership

Limited Liability Partnership

Other: _____

Date Established:

B5. Enclose a copy of the following documents, as applicable:

- Application Information
- Project Description
- Financial Information
- Disclosure of Potential Conflicts of Interest

Also, please provide ONE of each of the following attachments, if available:

Non Profit Organizations:

- Current Organizational Chart
- IRS tax determination letter (501(C)(3))
- Current Bylaws and Articles of Incorporation
- Most recent independent audit
- Current Board of Directors
- Resume(s) of staff who will manage the project

For Profit Corporations/Partnerships:

- Articles of Incorporation/Partnership Agreement
- Most recent financial statement/Federal Tax Return
- Three business references with complete contact information
- Resume(s) of staff who will manage the project

B6. Project Team.

Describe the project team (project manager, developer, architect & other professionals), their relevant experience, and their specific responsibilities for this project. If the team is not yet assembled, then describe how you will select them.

C. SITE DESCRIPTION

Project Title: _____

C1. Client Description. Describe how you will market the units and how you intend to secure eligible renters.

C2. Project Description

Please provide a detailed description of the project, addressing each of the following questions, or insert “N/A” where the question is not applicable or no information is available.

Site Detail

- Site location map showing development site in relation to streets and points of interest in the surrounding neighborhood (at least ½-mile radius). Indicate waterways, floodplain boundaries, and railroads.
- Site map showing lot boundaries and location of building(s), and other site features.
- Lot size in acres_____.
- Current site zoning and the status of any required plan reviews.

Site control

- If you already own the site or property, submit a copy of the deed and describe all existing liens or deeds of trust on the property. If the site is currently under an option agreement, submit a copy of the option and purchase agreement.

Construction Detail

- Floor plan and sketch of finished building(s). Annotate floor plan to show ADA features if present. Annotate sketch to emphasize design features that you consider particularly attractive and compatible with other buildings in the neighborhood.
- Number of units newly constructed:
- Square footage of each unit: _____ ; Number of bedrooms/baths:
- Will project participate in an externally monitored energy efficiency program (e.g. Energy Star)?
- Yes: _____ (provide details). No: _____
- Number of units having full ADA accessibility: _____
- Number of others having at least the following accessibility features: _____:
 - An at-grade or ramped entrance to the main floor or the capability to easily install a ramp later on; *and*
 - All doorways and passageways on the main floor at least 32” wide; *and*
 - A bathroom or half-bath on the main floor that will accommodate a wheelchair (show dimensions of unobstructed floor area on floor plan)

C3. Affordability, Marketing, & Supportive Services

- Proposed rental prices for completed units.
- Process for marketing to ensure an adequate pool of income-eligible renters.
- Any services coordinated with the project that will help ensure occupants’ long-term housing success.

C4. Size and Rental Rate of units: Complete one line for each unit or group of identical units. Add more lines if needed.

# of Bedrooms	# of Baths	No. of units of this size	Area/unit (heated sq. ft.)	Estimated Development Cost/unit	Cost per Sq. Ft	Proposed Rental Rate
Totals:						

If it is not clear from the above information, describe the number of units, and provide information on the requested amount of loan funds for each unit. Provide justification for the amount of loan requested for each unit based on the policy limits.

C5. Proposed Time Table: (add more lines if needed)

Activity	Time Period
Acquire Land	
Construction Loan	
Acquire Permits	
Site Preparation and Begin Construction	
Construction End	
Rental Occupancy	

D. FINANCIAL INFORMATION

D1. Project Budget (add more lines if needed)

Project Revenues (rent revenues)

	\$
	\$
	\$
Total:	\$

Costs

Land Acquisition	\$
Site Preparation	\$
Construction	\$
Construction Contingency	\$
Appraisal	\$
Survey	\$
Architect/Engineering	\$
Permits	\$
Taxes	\$
Financing Cost (include interest)	\$
Legal	\$
Marketing	\$
In-house admin costs/developers fee	\$
Other(specify)	\$
Total:	\$

D2. Detail of project financing. Please attach letters evidencing existing loan commitments.

Source of Funds	Amount	Interest Rate	Term (years)	Committed Yes/No
1 Acquisition Loan:	\$	%		
2 Construction Loan: Lender:	\$	%		
3 Other Loan: Lender:	\$	%		
4 Equity	\$			
5 Proposed Workforce Housing Program Loan:	\$	0%		No
Total:	\$			

E. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

E1. Are you or any of your employees, Board Members, business associates, or members of their immediate families:

	Yes	No
Employee(s) of or closely related to employees of Buncombe County Government? If yes, which department? _____	<input type="checkbox"/>	<input type="checkbox"/>
Member(s) of or closely related to Members of the Board of Commissioners or a candidate for election to the Board of Commissioners?	<input type="checkbox"/>	<input type="checkbox"/>
Planning to live in one of the assisted units, or to sell it to a close relative or business associate	<input type="checkbox"/>	<input type="checkbox"/>

E2. If you have answered YES to any question, please attach a full explanation. The existence of a potential conflict of interest does not necessarily make your project ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any assistance and immediate repayment of the loan.

F. AUTHORIZATION

To the best of my knowledge and belief, all data in this application are true and current. The owner or governing board of the developer has authorized the application.

I understand and agree that Buncombe County will verify the information contained herein to determine the form of assistance. Verification may include obtaining a credit report for all principal parties.

Signature: _____ Date _____
Printed Name: _____ Title: _____

(For a partnership, all partners must sign)

APPENDIX 1
AFFORDABILITY

Maximum Rental Price:

The Workforce Housing Rental Rate will be calculated as the rate that a family at 80 percent of AMI can afford to spend on rent and utilities without being cost-burdened. The rate can be adjusted annually, using HUD's AMI figures.

2010-2011 Rental Rates:

	Utility Allowance	80% AMI	Max Rent Affordable
Efficiency	\$60	\$31,050	\$716
One-Bedroom	\$77	\$35,450	\$809
Two-Bedroom	\$95	\$39,900	\$903
Three-Bedroom	\$111	\$44,300	\$997

Notes: The utility allowance is based on the Housing Authority Standards for multifamily units. Units must be rented at or below the maximum rental rate listed above while maintaining affordability to the renter, and renters must have income below 140% AMI, adjusted for household size. As a requirement for each unit offered for the incentive, proof of renter income must be provided.