

# Infrastructure to Support Affordable Homeownership Development in Buncombe County

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*RFP for Coronavirus State and Local Fiscal  
Recovery Funds*

## ***Asheville Area Habitat for Humanity***

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# Application Form

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## Question Group

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Buncombe County requests proposals for projects to help the community recover from and respond to COVID-19 and its negative economic impacts.

Buncombe County has been awarded \$50,733,290 in Coronavirus State and Local Fiscal Recovery Funds (Recovery Funding), as part of the American Rescue Plan Act. This infusion of federal resources is intended to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Buncombe County is committed to investing these funds in projects that:

- Align to county strategic plan and community priorities
- Support equitable outcomes for most impacted populations
- Leverage and align with other governmental funding sources
- Make best use of this one-time infusion of resources
- Have a lasting impact

Proposals shall be submitted in accordance with the terms and conditions of this RFP and any addenda issued hereto.

[Click here for the full terms and conditions of the RFP](#)

## Coronavirus State and Local Fiscal Recovery Funds\*

Name of Project.

Infrastructure to Support Affordable Homeownership Development in Buncombe County

## Amount of Funds Requested\*

\$3,372,333.00

## Recovery Fund Eligible Category\*

Please select one:

Assistance to households

## Brief Project Description\*

Provide a short summary of your proposed project.

Asheville Area Habitat for Humanity (AAHH) requests \$3,372,333 to help fund infrastructure costs of AAHH's Glenn Bridge and New Heights Phase II developments. This one-time infusion of funds will ensure an equitable, sustainable COVID-19 recovery, preparing AAHH's Buncombe County land for the development of 89 affordable, energy-efficient homes for 89 vulnerable, low-income households, particularly BIPOC

RFP for Coronavirus State and Local Fiscal Recovery

households, female-headed households, and older adult households, living in unaffordable, substandard housing conditions during the pandemic.

AAHH will install infrastructure, including roads, sidewalks, and sewers, for 29 homes located at 898 Glenn Bridge Road in South Buncombe County and 60 homes located at 1773 Old Haywood Road, within a Qualified Census Tract in West Buncombe County. After infrastructure work is completed, AAHH will build the energy-efficient homes utilizing volunteer labor and will sell all 89 homes through affordable mortgages to households earning  $\leq 80\%$  of AMI.

## Project Plan\*

Explain how the project will be structured and implemented, including timeframe.

As the home builder with the most Green Built-certified homes in the state of North Carolina, Asheville Habitat is a proven leader in sustainable residential construction. Through Homeownership, Affordable Mortgage Lending, Homebuyer Empowerment Coursework, and Volunteer Engagement Programs, AAHH builds affordable, energy-efficient 1-4-bedroom houses and townhomes using volunteer labor, and sells them to qualifying buyers who repay an affordable mortgage. Habitat homebuyers have household incomes  $\leq 80\%$  AMI and must have lived or worked in Buncombe County for a minimum of 12 months prior to application. Habitat homebuyers complete 200 hours of “sweat equity,” per adult, building their homes and the homes of their neighbors and completing homebuyer empowerment coursework in money management, home maintenance, predatory lending, mortgage origination, and more, to gain tools for long-term financial planning and successful homeownership.

The \$3,822,333 infrastructure budget presented with this application is a portion of a \$20M total budget for the construction of 89 units at Glenn Bridge and New Heights Phase II. AAHH will utilize a portion of the requested \$3,372,333 ARPA funds to hire two new construction staff, enabling the organization to accelerate the timeline for this project by 9 months. Amidst the public health crisis, this one-time infusion of funds will help build more safe, affordable homes faster for low-income Buncombe County residents impacted by COVID-19.

In Summer 2021, AAHH will begin the installation of infrastructure for the construction of 29 affordable homes in AAHH’s Glenn Bridge neighborhood. The timeline for this project is:

- June 2021 – go to bid
- July 2021 – accept bid and go to contract
- August 2021 – infrastructure begins
- July 2022 – infrastructure is completed
- January 2023 – construction of units begins
- March 2025 – construction of all 29 units is completed

In Summer 2022, AAHH will begin the installation of Phase II infrastructure for the construction of the final 60 affordable homes in AAHH’s 98-home New Heights neighborhood. The timeline for this project is:

- Spring 2020 – Phase I infrastructure complete
- July 2020-July 2023 – First 38 homes constructed and sold to low-income families
- May 2022 – go to bid
- August 2022 – accept bid and go to contract, infrastructure begins
- October 2023 – Phase II infrastructure is completed
- October 2024 – construction of units begins
- December 2026 – construction of 42 of the 60 units is completed
- April 2029 – construction of all 60 units is completed

## Statement of Need\*

Describe the need that this project will address. Include data to demonstrate the need, and cite the source of the data.

Buncombe County is facing an unprecedented affordable housing crisis due to rapid population growth, stark income gaps, a preponderance of low-wage service-industry jobs, rising housing costs, and a history of racial inequity. The 2019 Bowen Regional Housing Analysis indicates that 46.1% of Buncombe County renter households are cost burdened, paying more than 30% of their income on housing, while 19.4% are severely cost burdened, paying more than half of their income on housing. More than 3,500 households live in substandard conditions. With 45.7% of head of households age 55 or older, the number of aging adults facing housing challenges is growing. Tens of thousands of local households experience a constant burden of uncertainty, stress, and fear due to unaffordable, substandard housing and barriers to affordable financing. These families are unable to afford essential expenses, forcing trade-offs between food, healthcare, heating, and other basic needs.

In Buncombe County, 94% of homeowner households are white, while only 6% are households of color. The pandemic has exacerbated the housing crisis and racial homeownership gap, as local residents, particularly those in the lowest-wage sectors, face unemployment and eviction while affluent newcomers are relocating to escape larger cities. Buncombe County is one of the most rapidly gentrifying U.S. counties, with local workers priced out of housing. Further, construction costs are skyrocketing with lumber prices tripling over the past year, adding more than \$20,000 to each home AAHH builds.

Access to safe, affordable housing is a powerful social determinant of health. Children living in unsafe, substandard housing conditions move frequently, suffer mental stress, and struggle in school, limiting their access to higher education and job opportunities over the course of their lives. Affordable homeownership is a crucial foundation for helping low-income families recover from the current economic and health crisis.

## Link to COVID-19\*

Identify a health or economic harm resulting from or exacerbated by the public health emergency, describe the nature and extent of that harm, and explain how the use of this funding would address such harm.

The impacts of COVID-19 on the health and security of US residents have been widespread, but have disproportionately affected low-income and BIPOC communities. According to the Center on Budget and Policy Priorities' COVID Hardship Watch series, "These disproportionate impacts reflect harsh, longstanding inequities — often stemming from structural racism — in education, employment, housing, and health care that the current crisis is exacerbating."

A 2019 report by the National Center for Healthy Housing revealed that 40% of homes in US metropolitan areas had at least one health and safety hazard. In Buncombe County, more than 3,500 households are living in substandard housing. When a low-income family is living in substandard conditions, sheltering-in-place orders only increase instability, stress, and vulnerability. A November 2020 cross-sectional analysis of county-level data for 3,135 US counties investigated the relationship of poor housing conditions with incidence and mortality of COVID-19 (Ahmad, Erqou, Shah, Nazir, Morrison, Choudhary, Wu). This study revealed that with each 5% increase in percent of households with poor housing conditions, there was a 50% higher risk of COVID-19 incidence and a 42% higher risk of COVID-19 mortality.

AAHH's use of ARPA funding will address Buncombe County's affordable housing crisis, exacerbated by the pandemic, by helping fund the infrastructure costs for the development of 89 affordable, energy-efficient new homes for low-income Buncombe County residents who have been living in unaffordable, substandard conditions. The local fair market rent for a 3-bedroom home is \$1,751, while the average monthly mortgage paid by AAHH homeowners is \$585. This project will address Buncombe County's racial homeownership and wealth gaps, utilizing a one-time infusion of funds to ensure an equitable, sustainable COVID-19 recovery for residents most impacted by the crisis. Now more than ever, a safe, stable home is the best medicine.

## Population Served\*

Define the population to be served by this project, including volume and demographic characteristics of those served.

This project will provide the infrastructure for 89 new, affordable Habitat homes to be sold to 89 low-income Buncombe County families who have been living in unaffordable, substandard housing conditions during the pandemic. AAHH creates a path to homeownership for vulnerable populations, particularly BIPOC families, female-headed households, older adults, and people with disabilities, helping close the wealth gap for households facing economic barriers. AAHH estimates that of the 89 future homeowner households in Glenn Bridge and New Heights Phase II, 44 (50%) will be BIPOC households, 66 (75%) will be female-headed households, and 17 (20%) will be older adults or people with disabilities.

Habitat homebuyers have incomes  $\leq 80\%$  AMI, working low-wage, service-industry jobs, in industries such as public safety, K-12 education, food and beverage, hospitality, and healthcare. The future homeowners of Glenn Bridge and New Heights Phase II represent front-line workers who have been fulfilling essential duties in at-risk industries during the pandemic. AAHH will qualify future homeowners utilizing a proven application process that requires applicants to demonstrate residency, need for housing, ability to pay, and willingness to partner with AAHH.

AAHH works with the Asheville Housing Authority's Family Self-Sufficiency Program to accept housing choice vouchers for homeowner mortgage payments. Additionally, AAHH recently revised the organization's criminal background policy to help overcome the collateral consequences of over-policing and mass incarceration. AAHH implements an Affirmative Marketing Plan for all programs, advertising in print, online, on the radio, through direct mailings and social media, and through community partnerships. AAHH also receives many applicants through Habitat homeowner referrals. The AAHH Board of Directors approves each homeowner application "blindly" without any documentation that would establish racial or ethnic backgrounds.

## Results\*

Describe the proposed impact of the project. List at least 3 performance measures that will be tracked and reported. If possible, include baselines and goals for each performance measure.

The impact of this project will be safe, affordable homeownership for 89 low-income Buncombe County families living in unaffordable, substandard housing conditions. AAHH will track and report on the following performance measures:

- 1) Glenn Bridge infrastructure work is completed by July 31, 2022
- 2) New Heights Phase II infrastructure work is completed by October 31, 2023
- 3) Construction and sell of all 29 Habitat homes in Glenn Bridge is completed by March 31, 2025
- 4) Construction of 42 of the 60 Habitat homes in New Heights Phase II is completed by December 31, 2026

AAHH reduces the cost of homeownership and makes it possible for historically excluded residents to access quality housing. With affordable mortgages, families who partner with AAHH have the ability to prioritize investing in their families' health and wellness. Furthermore, providing safe, affordable housing for cost-burdened households frees up resources for nutritious food and health care and addresses overcrowding to minimize the spread of respiratory infectious diseases.

According to The Center for Housing Policy, safe, affordable housing reduces health problems associated with poor quality housing; improves health for individuals with chronic illness or disabilities, including older

adults; frees up family resources for nutritious food and healthcare, and reduces exposure to infectious diseases. A safe, stable home provides children improved mental and physical health, resulting in fewer school absences, higher grades, better socialization, and opportunities for higher education. AAHH homeowners pay affordable mortgage payments, enabling families to improve health, pursue opportunities, and enjoy greater financial stability. AAHH believes that everyone deserves a decent place to live and that affordable Habitat homeownership plays a critical role in an equitable and sustainable COVID-19 recovery and in creating and preserving strong, stable communities.

## Evaluation\*

Describe the data collection, analysis, and quality assurance measures you will use to assure ongoing, effective tracking of contract requirements and outcomes.

AAHH will collect and analyze the following quality assurance measures to track contract requirements and outcomes:

- Execution of contracts with contractors who will install infrastructure for Glenn Bridge and New Heights Phase II
- Completion of infrastructure work at Glenn Bridge by July 2022 and New Heights Phase II by October 2023
- Certificates of Occupancy for all 29 homes at Glenn Bridge by March 2025
- Certificates of Occupancy for 42 of the 60 homes at New Heights Phase II by December 31, 2026

This project will produce the following outcomes by December 31, 2026:

- 71 low-income Buncombe County families (200+ individuals) built strength, stability, and self-reliance through shelter (89 families by April 2029)
- 71 Buncombe County families improved self-sufficiency, safety, and health through safe, affordable homeownership (89 families by April 2029)
- 71 low-income Buncombe County families completed 200 hours of “sweat equity” per adult, including nearly 60 hours of homebuyer empowerment coursework (89 families by April 2029)

## Equity Impact\*

How will this effort help build toward a just, equitable, and sustainable COVID-19 recovery? How are the root causes and/or disproportionate impacts of inequities addressed?

This effort will help build toward a just, equitable, and sustainable COVID-19 recovery by providing safe, affordable homes for 89 low-income Buncombe County households. AAHH’s New Heights and Glenn Bridge neighborhoods will become home to Buncombe County residents earning  $\leq 80\%$  AMI. These future Habitat homeowners are the backbone of the Asheville area’s tourism and retirement-oriented economy, those who increasingly find housing affordable only in more isolated areas or overcrowded and substandard conditions.

This effort supports the goals of Buncombe County’s Racial Equity Action Plan, seeking to improve housing outcomes for the most impacted communities. By supporting this project, Buncombe County will target funding to address specific affordable housing needs for BIPOC populations across all age groups. This effort will support Buncombe County’s goal of collaborating with community partners to create affordable housing for BIPOC populations and eliminate barriers to fair housing. Finally, this effort will provide BIPOC populations with access to safe, affordable, energy-efficient housing, expanding rates of BIPOC homeownership.

AAHH builds energy-efficient, affordable homes with low-income residents and volunteers and addresses economic inequities through careful underwriting, extensive education, focused partnerships with homebuyers, and affordable mortgage terms. For the first time, households who cannot qualify for a conventional mortgage can buy safe, affordable homes. While people of color comprise 10.5% of the

Buncombe County's population, 50% of AAHH homebuyers in the last 5 years have been BIPOC households. AAHH's programs play a critical role in helping families break the cycle of generational poverty and achieve financial security. Habitat homeownership helps bridge Buncombe County's catastrophic racial homeownership gap, making homeownership possible for those excluded from the region's economic growth and combatting a legacy of discrimination.

## Project Partners\*

Identify any subcontractors you intend to use for the proposed scope of work. For each subcontractor listed, indicate:

- 1.) What products and/or services are to be supplied by that subcontractor and;
- 2.) What percentage of the overall scope of work that subcontractor will perform.

Also, list non-funded key partners critical to project.

AAHH advertises and conducts a public bidding process for completion of land development and infrastructure for all new Habitat neighborhoods. The result of that process is to select the lowest bidding contractor who will be responsible for all aspects of the land development phase of the project. The selected contractor is responsible for selection, negotiation, and contracting of any subcontractors to be used on the project. The contractor is also responsible for holding subcontractors to all requirements of the contract with AAHH. Depending on the capabilities of the contractor selected for the project, various aspects of the project may or may not be subcontracted. AAHH will be the owner/developer during the infrastructure stage of AAHH's projects. AAHH becomes the contractor after infrastructure is complete and vertical construction begins after pulling the first building permit.

AAHH advertised a public bidding process for the heavy construction work for Glenn Bridge in May 2021. On 6/3/2021, AAHH held a mandatory pre-bid meeting for any companies interested in bidding on the project. Three companies attended the meeting. Bids were due on 6/24/2021, and AAHH held a bid opening that afternoon. All companies in attendance at the pre-bid meeting chose to submit a bid for the project, and all three companies bidding were present at the opening. The lowest bidder was Gosnell Construction out of Etowah, NC. This is a company that AAHH has worked with once before and with whom AAHH's professional engineering partner, WGLA, Inc., has extensive experience and highly recommends.

AAHH will open the request for bids for New Heights Phase II in January 2023.

There are no non-funded key partners for the infrastructure phase of this project. Once construction of units begins, AAHH's key partners including the North Carolina Housing Finance Agency, OnTrack Financial, other non-profit partners, and AAHH's community of 2,350+ volunteers will be critical to the project.

## Capacity\*

Describe the background, experience, and capabilities of your organization or department as it relates to capacity for delivering the proposed project and managing federal funds.

AAHH was founded in 1983 as the first Habitat affiliate in North Carolina. Now the largest builder of Green Built homes in the state, AAHH has constructed more than 346 affordable homes and completed over 400 home repair projects, helping over 2,000 WNC residents achieve strength, stability, and self-reliance through shelter. AAHH's affordable homeownership model provides a "soup-to-nuts" approach, from underwriting through closing, providing homebuyer education, building homes with the homebuyers and volunteers, and financing mortgages. This comprehensive model is unique in the housing industry, ensuring homebuyers have skills to succeed.

AAHH has a long history of managing local (Buncombe County AHSP), state (NCHFA, HCCBG), and federal (HOME, SHOP, CDBG) funding to address the affordable housing crisis. As a Charity Navigator 4-star non-profit, AAHH has a decades-long standing commitment to transparent financial accountability and sustainability. Sixty percent of AAHH's revenue is from earned sources, including AAHH's two ReStores and returning Habitat homeowner mortgage payments and home repair loan payments. Furthermore, AAHH's six-person Fund Development team is committed to raising more than \$4.3M in FY22 from individuals, businesses, foundations, governments, organizations, and faith communities.

AAHH received the Habitat for Humanity Affiliate of the Year award for the five-state Central Atlantic Region in 2005, the Asheville Home Builders' Association Craftsmanship Gold Award in 2008, the NC Housing Award for its Enka Hills 55-house subdivision in 2009, the 2014 North Carolina Housing Award for its Carney Place neighborhood, the 2019 Environmental Excellence award from Asheville GreenWorks, and most recently the largest 2020 CAHEC Open Doors Homeownership Grant (a competitive grant open to affordable housing developers across 13 states). AAHH is the top North Carolina Housing Finance Agency loan producer in medium markets and number three in the state.

## Budget\*

Provide a detailed project budget including all proposed project revenues and expenditures, including explanations and methodology. For all revenue sources, list the funder and denote whether funds are confirmed or pending. For project expenses, denote all capital vs. operating costs, and reflect which specific expenses are proposed to be funded with one-time Buncombe County Recovery Funds.

Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

Recovery-Funds-budget-template.xlsx

## Special Considerations\*

Provide any other information that might assist the County in its selection.

For 38 years, AAHH has worked to improve the housing and health of over 2,000 Buncombe County residents. The pandemic and resulting economic downturn exacerbated Buncombe County's affordable housing crisis. AAHH's programs are needed now more than ever. AAHH's 2019-2029 Strategic Plan provides a clear roadmap for the organizational growth needed to expand impact to address this dire housing situation. Over the next 8 years, AAHH will work to improve the housing of another 1,000 households. By incrementally and sustainably growing programs, AAHH will build capacity to provide affordable homeownership for 600 individuals by 2029. Current goals to support this sustainable growth involve staff hiring/training, board/committee participation, organizational diversity/culture, forecasting /contingency planning, internal infrastructure investment, compliance/financial reporting, program delivery and operations, earned revenue generation, and private/public fundraising. AAHH is uniquely positioned to help Buncombe County government ensure those most impacted by COVID-19 are given the needed resources to build strength, stability, and self-reliance and improve their shelter conditions, their safety, and their lives.

As Habitat International's CEO, Jonathan Reckford recently stated: "When any disaster hits — a storm, a disease, a financial crisis — it is always those who struggle most who suddenly find themselves struggling even more. They are our neighbors. Families already living in conditions that aren't conducive to good health, those whose finances have long been taxed beyond measure because housing eats up too large a portion of their income, those newly vulnerable because of the economic shock waves that something like this so often sets off."

Through affordable homeownership, AAHH provides and promotes access to quality, safe, thoughtfully-designed homes. Every house AAHH builds is one step closer to a world where everyone has a decent place to live.

## File Attachment Summary

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### *Applicant File Uploads*

- Recovery-Funds-budget-template.xlsx

## Coronavirus State and Local Fiscal Recovery Funds Proposed Project Budget

<b>Organization Name:</b>	<b>Asheville Area Habitat for Humanity</b>
<b>Project Name:</b>	<b>Infrastructure to Support Affordable Homeownership Development in Buncombe County</b>
<b>Amount Requested:</b>	<b>\$3,372,333</b>

Proposed Project Revenue Funder	Amount	Confirmed or Pending?	Notes
Proposed Buncombe COVID Recovery Funds	\$ 3,372,333.00	pending	this request
Buncombe County AHSP FY22	\$ 450,000.00	confirmed	FY22 AHSP funding cycle
List other sources here			
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<b>Total</b>	<b>\$ 3,822,333.00</b>		

Proposed Project Expenses	Proposed Recovery Funds	Other Funds	Total	Capital or Operating Expense?	Notes
Glenn Bridge Instratructure	\$ 850,000.00	\$ 450,000.00	\$ 1,300,000.00	Capital	roads, sewers, sidewalks for 29 affordable homes
New Heights Phase II Infrastructure	\$ 1,750,000.00	\$ -	\$ 1,750,000.00	Capital	roads, sewers, sidewalks for 60 affordable homes
AAHH Construction Staff	\$ 772,333.00		\$ 772,333.00	Operating	Costs for 2 new positions over 6 years: Site Supervisor; Land Acquisition and Development Manager
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<b>Total</b>			<b>\$ 3,822,333.00</b>		