Asheville-Buncombe Community Land Trust
Collaborative Affordable Housing Project

FY2021 Strategic Partnership Grants

Asheville Buncombe County Land Trust
Anna Zuevskaya
825 Merrimon Ave., STE C PMB 14
Asheville, NC 28804
anna@abclt.org
O: 828-697-5777

Kieran Roe
847 Case Street
Hendersonville, NC 28792
kieran@conservingcarolina.org
O: 828-697-5777
M: 828-231-1650
INSTRUCTIONS
As part of the FY2021 Strategic Partnership Grants program, Buncombe County requests proposals for community-based projects working toward outcomes in alignment with Strategic Plan focus areas.

Please refer to the Grant Guidelines published on the Strategic Partnership Grants website at buncombecounty.org/grants for complete information about the grant program, including: Purpose; Funding; Eligibility; Timeline; Grant writing workshop; Review process; Awards; and more.

Applications are due by 5:00 on February 14, 2020.

BASIC INFORMATION

Project Name*
Asheville-Buncombe Community Land Trust Collaborative Affordable Housing Project

Strategy*
Recognizing that some projects will use more than one strategy, select the strategy that most closely applies to this project:

- Environmental Stewardship - High quality air, water, farmland and renewable energy for future generations
- Educated & Capable Community - A county where all people thrive and demonstrate resilience throughout their lives
- Vibrant Economy - A robust and sustainable economy that builds on homegrown industries/talent and provides economic mobility for all
- Resident Well-Being - A county where residents are safe, healthy, and engaged in their community

Resident Well-Being

Funding Request*
How much funding is this project requesting for FY2021?
$35,000.00
Grant Guidelines*
Have you read and understand the information presented in the FY2021 Grant Guidelines Strategic Partnership Grants?

Click here for the Grant Guidelines.

If no, please contact County staff to request assistance: Rachael Nygaard, (828) 250-6536 or rachael.nygaard@buncombecounty.org.

Yes

Nonprofit Status*
Upload proof of nonprofit status, such as IRS Determination Letter or documentation from the North Carolina Secretary of State. If this documentation is not available, briefly state the reason.

Tax Exemption letter ABCLT.pdf

Board of Directors*
Upload a current list of your organization’s Board of Directors. If your organization does not have a board of directors, briefly state the reason.

ABCLT Board list Jan 2020.docx

APPLICATION
APPLICATION QUESTIONS – Responses to these questions will be scored by the grant committee. Each question is worth 10% of the final score.

Organization*
Tell us about your organization. What is your mission? Highlight two or three key facts and accomplishments that best define your organization.

Asheville-Buncombe Community Land Trust (ABCLT) works to provide secure quality housing for low and moderate income people across Buncombe County, and strives to permanently preserve the affordability of homes for future low and moderate income residents. ABCLT also works to combat deterioration, gentrification and displacement in economically disadvantaged communities, particularly Asheville neighborhoods that were adversely impacted by past and present urban renewal and redevelopment programs.

ABCLT was formed with the support and guidance of the City of Asheville, which has earmarked $1 million from the city's Housing Trust Fund toward capital costs of ABCLT's development of permanently affordable housing. Spurred by this investment of capital funding committed by the City, ABCLT has been
formed out of a grassroots process involving many community participants. With key support from Pisgah Legal Services, in the past 18 months ABCLT has incorporated, obtained its tax-exempt status and developed bylaws, policies and procedures.

To continue our momentum and build on the foundation created by our diverse all-volunteer board, ABCLT hired its first Executive Director on a part-time, interim basis in January 2020. In order to implement the next steps in our business plan - acquire land, develop affordable housing units, and recruit and educate the first cohort of ABCLT homeowners – and to convert the staff position to full-time and permanent, ABCLT seeks the support of Buncombe County.

We approach this work with a strong equity lens and an intention to address historic and systemic barriers to housing accessibility.

**Need for the Project**
What is the main issue this project is established to address? What data or qualitative factors/stories are available to show that need?

The community need ABCLT addresses is the lack of affordable housing for low to moderate income individuals and families, with a particular focus on communities affected by urban renewal in the 1960s and 70s. Currently, in Buncombe County, a minimum wage worker would need to work 85 hours per week to afford a modest one-bedroom apartment. According to the Asheville, North Carolina Region Housing Needs Assessment (2015), based on 2010 US Census statistics, a total of 16,977 (20.4%) of Asheville’s population and 35,012 of Buncombe County’s population (14.7%) live in poverty. It is this large number of individuals and families that will primarily be served by ABCLT.

As revealed in the 2019 Housing Needs Update from Bowen National Research, in Buncombe County 46.1% of renter households and 21.3% of owner households are "cost-burdened" (spending more than 30% of income on housing). Moreover, 19.4% of renter households and 7.9% of owner households are "extremely cost-burdened" (spending more than 50% of income on housing). In addition, 7.1% of renter households in the county are overcrowded, a percentage significantly higher than the average within the state of North Carolina.

In many cases, these high cost-burdened and overcrowding rates are caused by a combination of high home prices and low wages. Housing stock under $199,999 is down to 66 and the trend in house-building is the $400,000+ range. While both the City of Asheville and Buncombe County are in the process of approving and funding more affordable rental units, current affordable rentals have a 0% vacancy rate with waiting lists, and those new units will not be available for several years.

**Project**
Explain the project and how it will work. Include the overall purpose and any models or evidence-based practices that will be included. What specific activities and milestones are included in the project plan?

ABCLT works to provide deeply and permanently affordable homeownership, rental and commercial opportunities to address the affordable housing crisis Buncombe County is facing. Unique among the housing organizations in our community, ABCLT will ensure permanent affordability of the housing it develops and will offer programs to ensure successful homeownership and wealth building for ABCLT homeowners.

Asheville and Buncombe County need the land trust model to fill that need in the lower to middle income bracket, specifically because the land trust model is the most robust instrument to bring housing prices down for homeowners and renters. The programs and subsidies ABCLT will put in place will address those most
affected by the housing crisis in the area, particularly those of color, with the goal of closing the racial wealth gap.

In order to fulfill its mission of addressing the housing crisis for low and moderate income residents in Buncombe County, ABCLT needs to hire staff, starting with an Executive Director. This is the right time for this investment as we are embarking on the bigger journey of fully engaging with greater Asheville and Buncombe County to develop our membership, and to promote the community land trust model of permanent affordability and community control of the land. We have gotten our organization to the point where a permanent staff person - an Executive Director - is the essential next step to take advantage of the $1 million commitment from the City of Asheville and implement our new affordable home construction plans.

People Served*
How many people will be served by this project? Describe the people served, including demographics such as geography, income, race & ethnicity, age, etc.

The 2019 Housing Needs Update from Bowen National Research documented that in Buncombe County 46.1% of renter households and 21.3% of owner households are "cost-burdened" (spending more than 30% of income on housing). Moreover, 19.4% of renter households and 7.9% of owner households are "extremely cost-burdened" (spending more than 50% of income on housing). In addition, 7.1% of renter households in the county are overcrowded, a percentage significantly higher than the average within the state of North Carolina.

It is these segments of Buncombe County residents that will be served by ABCLT.

Results*
What results do you hope to achieve with this project? Be specific about how much impact the project will have in line with Commissioner focus areas.

ABCLT is the first affordable housing organization in the region to be dedicated to place-based, permanently affordable home-ownership. This ownership will help preserve homes for low income households in Asheville and Buncombe County, places where housing has become unaffordable for these households.

In the fiscal year starting July 1, 2020, ABCLT plans to purchase at least 10 existing homes, rehabilitate as needed, and sell the homes to low-income households. The CLT will retain the land ownership, and hold the value of the land in stewardship. Upon future resale, the home will be sold to another low income family, who will be able to purchase that home at an affordable price because the value of the land is retained by the CLT, and because the homeowner will take a limited return on the value appreciation of the home. These homes will be located in the City of Asheville and Buncombe County.

In partnership with the City of Asheville, ABCLT has applied for federal HOME Investment Partnerships Program (HOME) and the Community Development Block Grant (CDBG) Program grants that would match previously-committed funding from the City of Asheville and matching funds from other grantors to support ABCLT’s start-up and establishment of an office, hiring of a full-time executive director and development of an initial portfolio of new affordable housing units in Buncombe County.

ABCLT will rehabilitate existing homes as part of its purchase, rehab and resale program, and will provide direct assistance, using HOME funds and other funding, to enable low-income households to become homeowners. All activities will target households earning 60% AMI. These activities will be prioritized to existing neighborhoods that have historically been low-income, and primarily African-American. Locations will be screened for locational efficiency, with good to excellent access to jobs, schools and services.
Evaluation*
How will you know you have succeeded? Explain the project evaluation process, including specific measures that will be tracked.

ABCLT has made great strides organizing and moving towards operation. A major incentive has been provided by the City: $1 million in bond funds available for capital purposes. This incentive, however, is of limited value without both additional operational and capital support. Operational support from Buncombe County is necessary to identify, evaluate and purchase properties, and recruit, educate and facilitate CLT homeownership families.

The evaluation process will seek to identify sites that best meet both the mission of ABCLT, the needs of future homeowners and budgets of the organization and homeowners. The ABCLT Land Development Committee, working with members of the Land of the Sky Association of Realtors and the City of Asheville and Buncombe County, will review properties identified by those partners for location and access, environmental conditions, utility access and cost, property issues (such as clear title), regulatory clearance, property characteristics (including cost), neighborhood conditions and furtherance of the CLT goals.

Properties that best meet the CLT goals will be referred to the Asheville Design Center. ADC professional volunteers will further evaluate the site and building, looking more closely at condition, cost, adaptability (for example, whether the site could accommodate additional homes) and need for rehabilitation. Although this initial phase is focused on existing homes, the evaluative process will also be applied to undeveloped sites where one or more affordable homes could be developed. The CLT will move forward with obtaining property control for those properties that are best suited to become CLT properties. Additional due diligence will include a home inspection, radon testing, title search and specific rehab cost estimates.

ABCLT will know if it has succeeded if it: 1) has established an office, 2) hired a full-time executive director and 3) has developed an initial portfolio of 10 new affordable housing units.

Collaboration*
List any formal and/or supportive partners. Describe their roles in the project. How will they make it stronger?

ABCLT is the first organization of its kind in WNC developing permanently affordable homes to purchase by low-income families. The affordable housing shortage in our region is demonstrated by studies and indicated by local government to be a top priority. ABCLT will provide homeownership opportunities while maximizing government subsidies through its permanently affordable housing.

ABCLT has partnered with and has commitments for partnership with a broad array of other service orgs. These include Pisgah Legal Service (org. dev.); OnTrack (education); Asheville Design Center (property evaluation); Land of the Sky Association of Realtors (home and site ID); City of Asheville (site ID and $); Buncombe County (site ID and $); Community Action Opportunities (education, client ID); Asheville Housing Authority (client ID); Durham Community Land Trust (model support); Asheville Habitat (potential development partner).

ABCLT seeks to partner with these existing entities in order to take advantage of the experience and expertise they will bring to our projects. ABCLT will contribute to the partnerships through its unique ability to provide permanent housing affordability.
**Budget***
Download a copy of the budget form [HERE](#). Complete the form, and upload it using the button below.

Explain how grant funds will be used, specifically what type of expenses will be covered by County funds. Describe other sources of revenue, including type of funding, source, restrictions and status.

ABCLT FY21_SPGrant_Budget_Form.xlsx

Buncombe County Strategic Partnership grant funds will be used to cover office rent and utilities and personnel costs of a full-time executive director. County funds will be matched by committed funds from the Community Foundation for Western North Carolina and the WNC Bridge Foundation, as well as matching funds being sought from other public and private funders, as shown in the attached project budget.

**Other County Funding***
List all other Buncombe County funding that is provided to your organization. For each item, list the project being funded, amount of funding, source (grant, departmental contract, etc.) and whether funding is to be renewed for FY2021.

In 2018 and 2019, ABCLT was the recipient of grants ($5,000 each year) from the County's Tipping Point grant program. If a strategic partnership grant is awarded, ABCLT will not seek another Tipping Point grant.

**Sustainability***
How will the project continue to succeed after the funding of the grant? Explain your plan for making this an ongoing effort.

ABCLT has social capital in Buncombe County and the community land trust model is successfully being implemented elsewhere across the state of North Carolina. The $1 million capital commitment from the City of Asheville toward ABCLT new home development provides a strong leveraging opportunity that will incentivize others funders. Because there is such a dire need for permanently-affordable housing, we are confident in our ability to raise the funds needed to advance our work beyond the next year. We continue to source foundations, build an annual fund and donor base, and cultivate the partnership of the City of Asheville and private funders for organizational support. With the part time Executive Director hired by ABCLT in January 2020, we will leverage the strong continued volunteer services provided by board members and continue to secure the funds necessary to sustain and expand the organization’s capacity into the future.

**OPTIONAL INFORMATION**

**OPTIONAL INFORMATION** – This information will not impact grant scoring but will be helpful to the committee.

**Partial Funding**
If the project were to be offered a grant for partial funding, what factors would need to be considered?
ABCLT has grant requests pending with several potential funders. A fully-awarded grant from the Buncombe County Strategic Partnerships grant program will make it most likely that ABCLT will be able to move forward and accomplish its goals for the next year as described above.

However, if offered a partial grant award, ABCLT will continue seeking matching support from other potential funders in hopes that the shortfall in support from Buncombe County will be made up by other funders.

**Resource Support**
Beyond this grant request, how can Buncombe County support your organization with this project and in strengthening your work?

ABCLT would welcome the chance to look at the County’s portfolio of properties owned and identify locations that would represent good opportunities to develop new affordable housing units in a public/private collaboration that would include other partners.

**Other**
Is there anything else that you want the committee to know?
File Attachment Summary

Applicant File Uploads

- Tax Exemption letter ABCLT.pdf
- ABCLT Board list Jan 2020.docx
- ABCLT FY21_SPGrant_Budget_Form.xlsx
Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4231 PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.
Sincerely,

[Signature]

Director, Exempt Organizations
Rulings and Agreements
Asheville Buncombe Community Land Trust
Board of Directors, January 2020

Libby Kyles (President) -- YWCA
Renee White (Vice President) -- East End/Valley Street Neighborhood Association
Rosanna Mulcahy (Treasurer) -- City of Asheville
Nicole Hinebaugh (Secretary) – Bountiful Cities
David Bartholomew – Pisgah Legal Services
Terry Bellamy – Madison County Community and Economic Development
Quala Brown – U.S. Internal Revenue Service
Greg Gregory – Asheville Attorney
Dewana Little – Self-Help Credit Union
Catherine Mitchell -- River Front Development Group
Kieran Roe – Conserving Carolina
Damita Wilder – Pastor, Varick Chapel AME Zion Church Asheville
Sasha Vrtunski -- Urban Planner, City of Asheville

Staff

Anna Zuevskaya, Interim Executive Director as of February 1, 2020
# Strategic Partnership Grants
## Proposed FY2021 Project Budget (July 1, 2020 - June 30, 2021)

<table>
<thead>
<tr>
<th>Organization Name:</th>
<th>Asheville Buncombe County Land Trust</th>
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<tbody>
<tr>
<td>Project Name:</td>
<td>Asheville-Buncombe Community Land Trust Collaborative Affordable Housing Project</td>
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<tr>
<td>Grant Amount Requested:</td>
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### FY2021 Proposed Project Revenue

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<tr>
<th>Proposed Buncombe County Strategic Partnerships Grant</th>
<th>Amount</th>
<th>Committed or Pending?</th>
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<td>List other sources: Buncombe County Tipping Point Grant Program</td>
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<td>List other sources: WNC Bridge Foundation</td>
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<td>List other sources: City of Asheville</td>
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<td>List other sources: Z. Smith Reynolds Foundation</td>
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<td>List other sources: HOMES/CDBG</td>
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### FY2021 Proposed Project Expenses

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<td>Equipment / Furniture</td>
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<td>Printing / Marketing</td>
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### Overall Organization Budget

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<th>Amount</th>
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<td>FY2020 Adopted Budget Amount</td>
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<td>FY2021 Proposed Budget Amount</td>
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