



AFFORDABLE HOUSING COMMITTEE

Presented by
Matthew Cable

Community Development Division



AGENDA

- ✓ Call to Order & Welcome
- ✓ Approval of Minutes
 - November 5, 2019
- ✓ Old Business
- ✓ New Business
 - Bowen National Research's Housing Needs Update
 - Affordable Housing Services Program Description, Guidelines & Application Overview
- ✓ Next Steps
 - Individual Review of Affordable Housing Services Program Components
- ✓ Announcements
- ✓ Public Comment
- ✓ Adjourn



PUBLIC COMMENT

Public Comment will be taken at the end of the meeting



Please Sign-in now on the Sign-In Sheet if you wish to make public comment



BUNCOMBE COUNTY



HOUSING NEEDS ASSESSMENT 2019

- ✓ “The focus of this analysis is to assess the market characteristics of, and to determine the housing needs for, Buncombe County.” – Bowen National Research 2019 HNA
- ✓ Process:
 - Evaluate various socio-economic characteristics
 - Inventory and analyze housing supply (rental and owner product)
 - Conduct stakeholder interviews
 - Evaluate special needs populations
 - Provide housing gap estimates to help identify housing needs
- ✓ Update the 2014 Housing Needs Assessment



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HNA 2019

KEY FINDINGS & INFORMATION

- ✓ Population is increasing
- ✓ Households are increasing
- ✓ Senior households projected growth
- ✓ Cost burdened households remain a challenge
- ✓ Overcrowded housing situations remain a challenge
- ✓ Vacancy of rental units is improving
- ✓ Rents are rising
- ✓ Inventory of affordable homes for sale has declined

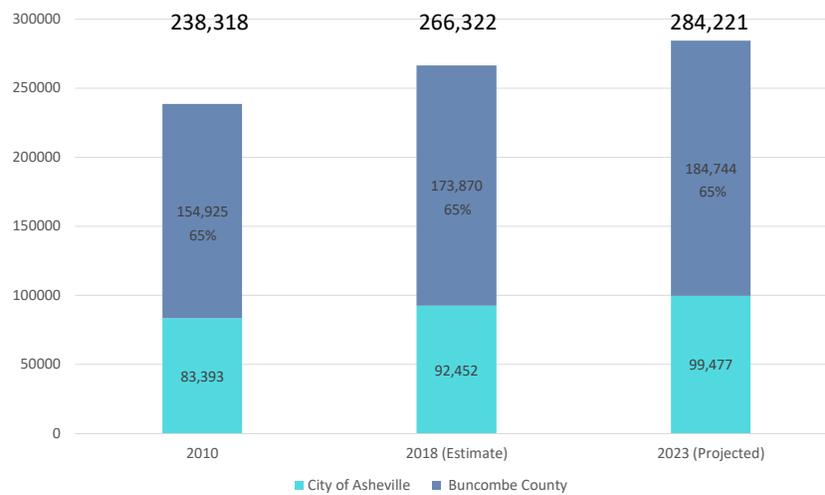


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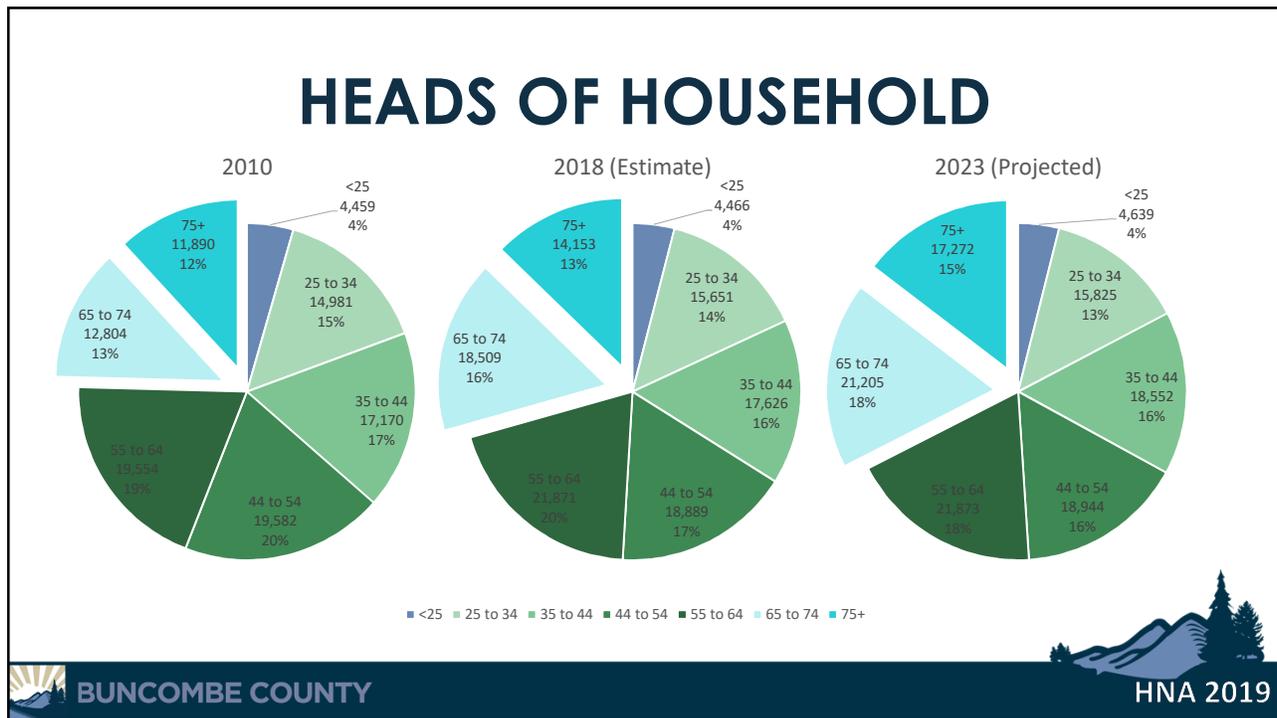
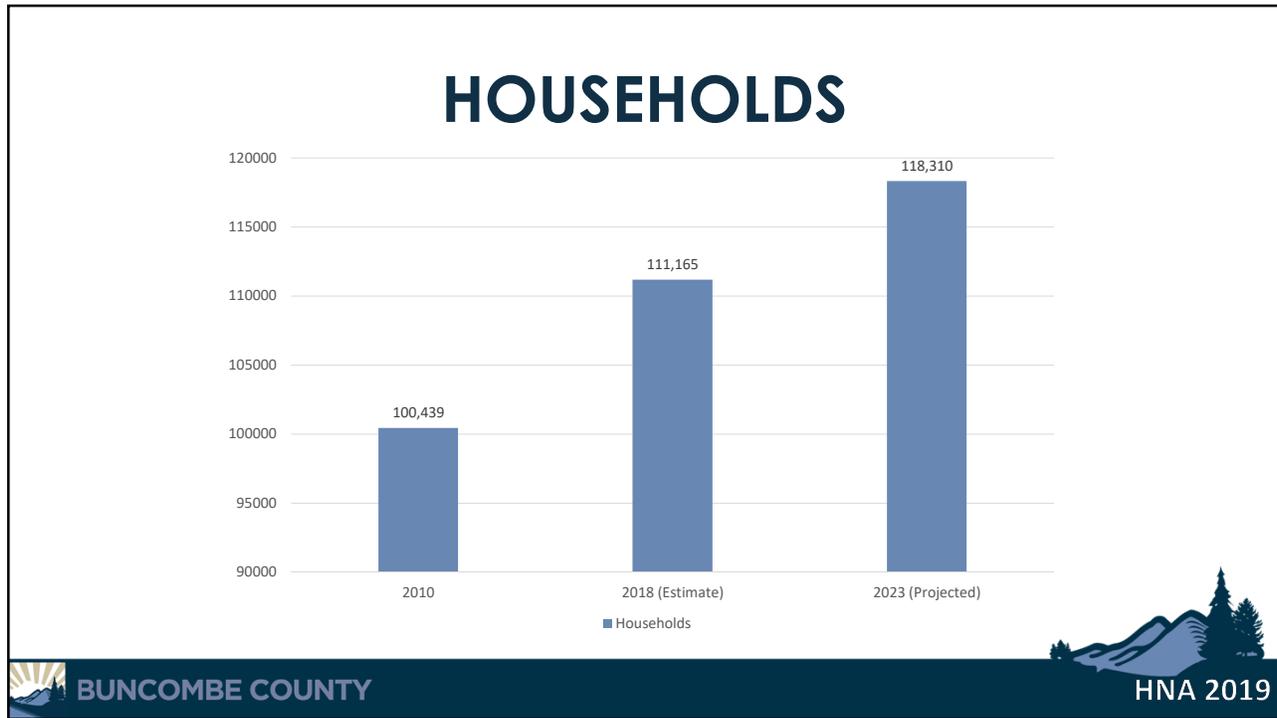
POPULATION



BUNCOMBE COUNTY

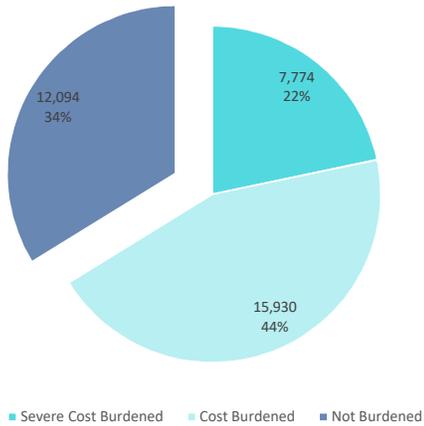


HNA 2019

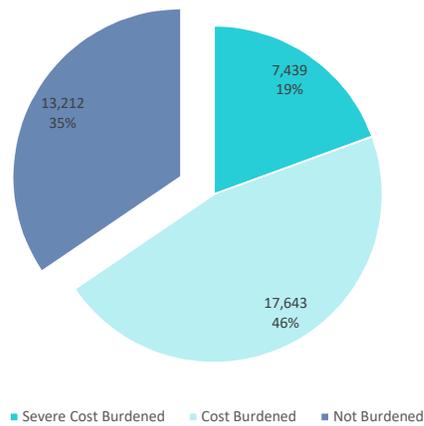


COST BURDENED RENTER HOUSEHOLD

2014 Report

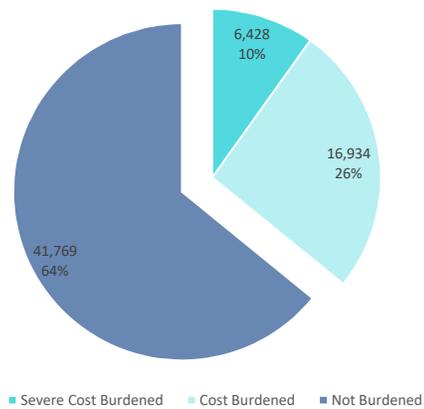


2019 Report

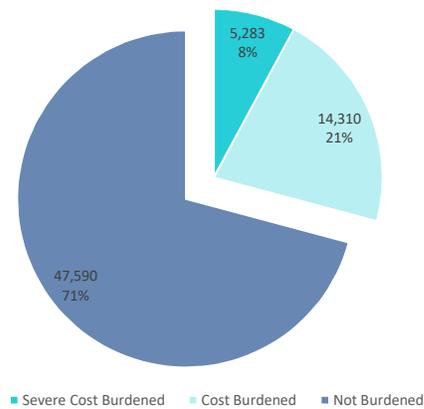


COST BURDENED OWNER HOUSEHOLD

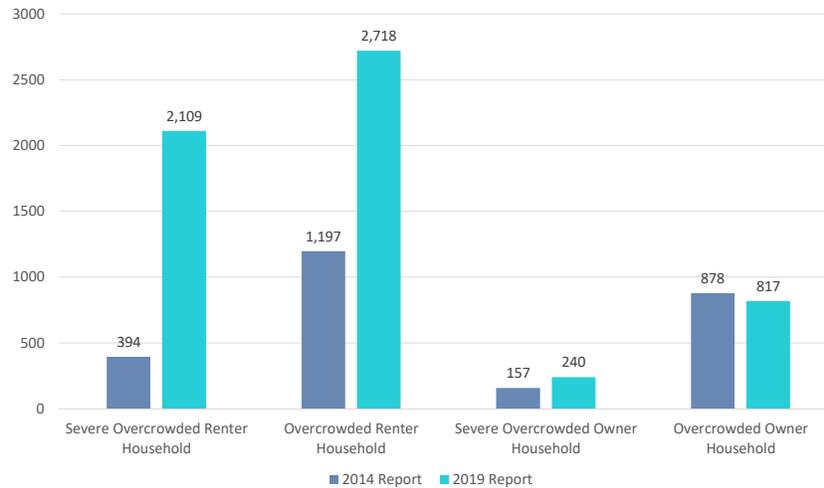
2015 Report



2019 Report



OVERCROWDED HOUSEHOLDS



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MULTI-FAMILY RENTAL HOUSING

- ✓ 2019 Report:
 - 719 vacant units (95.3% occupancy)
 - 4 affordable vacant units (99.9% occupancy)
- ✓ 2014 Report:
 - 99 vacant units (99.2% occupancy)
 - 0 affordable vacant units (100% occupancy)
- ✓ Annual Average Market Rate Rent Increase from 2014 to 2019: 5.4%
- ✓ Annual Average Tax Credit Rent Increase from 2014 to 2019: 4.8%



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MEDIAN RENTS MARKET RATE MULTIFAMILY

BEDROOM	BATH	2014 MEDIAN RENT	2019 MEDIAN RENT
STUDIO	1	\$667	\$825
1 BR	1-2	\$830	\$1,054 - \$2,155
2 BR	1-2.5	\$800 - \$1,031	\$1,100 - \$1,310
3 BR	1-3.5	\$739 - \$1,100	\$889 - \$6,928
4 BR	1.5-2	\$789 - \$1,005	\$1,000 - \$1,560

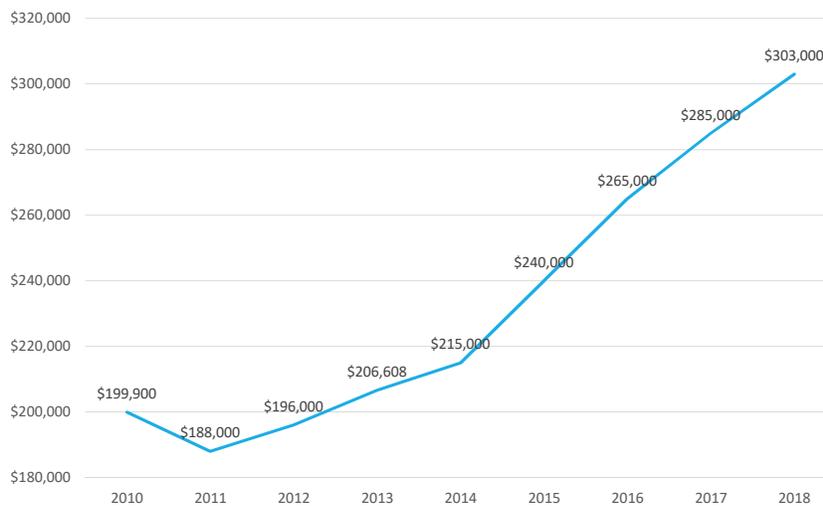


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ANNUAL MEDIAN SALES PRICE



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HOUSING GAP ESTIMATES

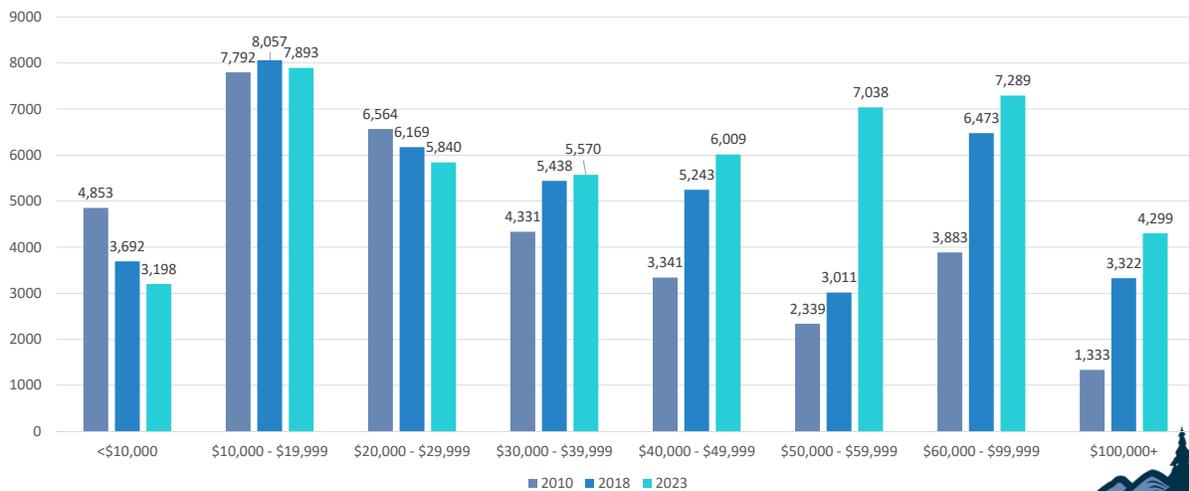
Rental Housing Gap Estimates

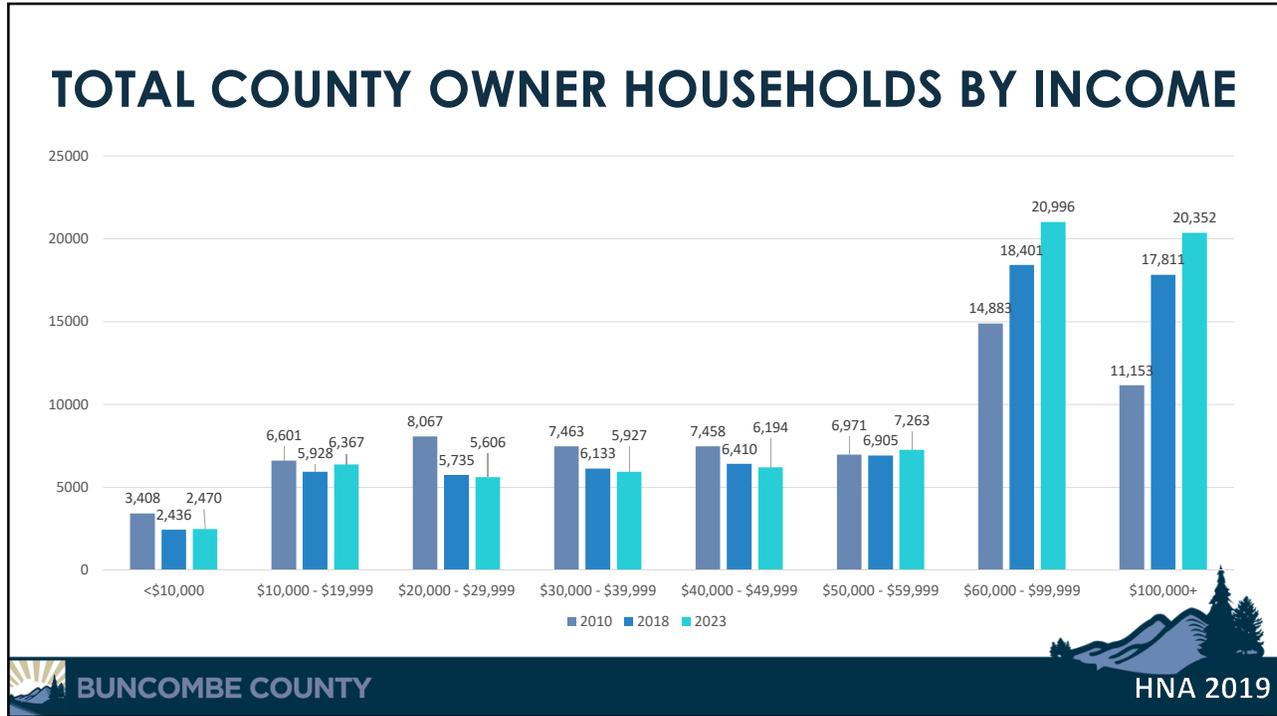
- ✓ <80% AMI: 3,198
 - <30% AMI: 1,124
 - 30%-50% AMI: 1,044
 - 51%-80% AMI: 1,030
- ✓ 80-120% AMI: 904

For Sale Housing Gap Estimates

- ✓ <80% AMI: 845
- ✓ 80-120% AMI: 2,673

TOTAL COUNTY RENTER HOUSEHOLDS BY INCOME





NEXT STEPS



ANNOUNCEMENTS



PUBLIC COMMENT



ADJOURN

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AFFORDABLE HOUSING SERVICES PROGRAM

- ✓ Program Description
- ✓ Program Requirements and Guidelines
- ✓ Program Activities
- ✓ Application
- ✓ Application Budget Form
- ✓ Application Scorecard



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AHSP REVIEW

PROGRAM DESCRIPTION

- I. PRIORITY
- II. BACKGROUND
- III. LEAD DIVISION
- IV. APPLICATION PROCESS
- V. GOALS
 - Increase the stock of affordable housing
 - Preserve the existing housing stock
 - Reduce substandard housing
 - Support homeownership initiatives, such as downpayment assistance programs



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AHSP REVIEW

PROGRAM REQUIREMENTS & GUIDELINES

- I. APPLICANTS
- II. INSTRUCTIONS FOR SUBMITTING APPLICATIONS
- III. ACTIVITIES*
 - Construction of new affordable single-family or multifamily housing for sale/rent
 - Conversion of existing non-residential structure(s) for affordable single-family or multifamily housing for sale/rent
 - Emergency repair of single-family units for income eligible clients
 - Downpayment assistance for income eligible homebuyers
 - Tenant-based rental assistance in connection with homelessness prevention

*Eligible activities (except construction of units for rent) must take place outside City of Asheville limits.



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AHSP REVIEW

PROGRAM REQUIREMENTS & GUIDELINES

- IV. DEFINITION OF AFFORDABILITY*
 - To be considered affordable units, units for sale must be:
 - Sold as affordable (within 30% of the buyer's income)
 - Sold to an eligible homebuyer ($\leq 80\%$ AMI adjusted for household size)
 - Have a maximum sales price (HUD limit)
 - To be considered affordable rental units, units for rent must be:
 - Rented at a rate not to exceed HUD's Fair Market Rent
 - Rented to eligible tenants ($\leq 80\%$ AMI adjusted for household size)

*Updated based on annual data released by HUD, typically in April.



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AHSP REVIEW

PROGRAM REQUIREMENTS & GUIDELINES

V. PROJECT AND REIMBURSEMENT TIMEFRAME

- Construction/Conversion Projects Must:
 - Be scheduled to break ground within 12 months of application submittal
 - Begin requesting reimbursement within 18 months of application submittal
- All other projects must complete expenditures and request reimbursement within 12 months of submission of an application.

*Updated based on annual data released by HUD, typically in April.



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AHSP REVIEW

PROGRAM ACTIVITIES

VI. CONSTRUCTION AND CONVERSION LOANS

NEW CONSTRUCTION PROGRAM AND LOAN TERMS: UNITS FOR SALE & RENT

- Eligible Applicants: For-profit corporations, partnerships, or sole proprietors; private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies
- Maximum Loan Amount: \$25,000 per affordable unit
- Uses: Affordable unit construction, infrastructure improvements, professional services, and costs of permitting
- Form: Construction loan secured by a lien on the property being assisted
- Term (For Sale): Five (5) years or until the property is sold, whichever occurs first
- Term (For Rent): Fifteen (15) years
- Interest Rate: Fully amortizing at an interest rate of 2%; interest may be deferred until the loan principal is due



BUNCOMBE COUNTY



AHSP REVIEW

PROGRAM ACTIVITIES

VI. CONSTRUCTION AND CONVERSION LOANS

CONVERSION CONSTRUCTION PROGRAM AND LOAN TERMS: UNITS FOR SALE & RENT

- Eligible Applicants: For-profit corporations, partnerships, or sole proprietors; private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies
- **Maximum Loan Amount:** \$25,000 per affordable unit, based on a licensed contractor's estimate of required repairs to bring the units up to building code and including service delivery and administration costs in the estimates
- Uses: Affordable unit construction, infrastructure improvements, professional services, and costs of permitting
- Form: Construction loan secured by a lien on the property being assisted
- Term (For Sale): Five (5) years or until the property is sold, whichever occurs first
- Term (For Rent): Fifteen (15) years
- Interest Rate: Fully amortizing at an interest rate of 2%; interest may be deferred until the loan principal is due



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PROGRAM ACTIVITIES

VI. CONSTRUCTION AND CONVERSION LOANS

CONSTRUCTION AND CONVERSION LOAN AGREEMENTS

May include:

- Project completion time limits
- Project record access by Buncombe County staff
- Income of occupants/owners
- Affordable rent levels for the lifetime of the loan plus five (5) years of occupancy
- Fair Housing and Equal Rights Opportunity principles adherence requirements
- Conflict of interest prohibitions

Require:

- Applicants submit regular progress reports
- Applicants abide by Fair Housing principles, which prohibit discrimination
- Units constructed/converted must be openly marketed



BUNCOMBE COUNTY



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PROGRAM ACTIVITIES

VII. EMERGENCY REPAIR

- Eligible Applicants: For-profit corporations, partnerships, or sole proprietors; private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies. The applicant must have no financial interest in the unit(s) to be repaired.
- Maximum Assistance: \$15,000 per unit
- Repairs:
 - o Must benefit an eligible homeowner ($\leq 80\%$ AMI)
 - o Must be performed on units where the applicant has no financial interest
 - o May include repairs for life safety issues
 - o May be used for retrofitting units for handicapped needs.
- Repairs $> \$10,000$ but $\leq \$15,000$:
 - o Must be forgivable loan funded repayable within ten (10) years sold



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PROGRAM ACTIVITIES

VIII. DOWNPAYMENT ASSISTANCE LOANS AND LOAN AGREEMENTS

- Eligible Applicants: For-profit corporations, partnerships, or sole proprietors; private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies. The applicant must either coordinate homebuyer's education classes or require participants complete homebuyer's education course
- Maximum Loan Amount: \$20,000 per affordable unit
- Uses: Downpayment assistance must benefit an eligible homebuyer ($\leq 80\%$ AMI) who completes a homebuyer's education course and be for an affordable unit for sale.
- Form: Non-forgivable loan, secured with a lien on the property being assisted
- Term: Due in the event the homeowner no longer lives or sells or refinances unit
- Interest Rate: 0%
- Loan Agreements: Loan agreements shall be executed between the County and applicant for the project



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PROGRAM ACTIVITIES

IX. TENANT-BASED RENTAL ASSISTANCE

- Eligible Applicants: Private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or public non-profit agencies. The applicant must specialize in working with homeless families or those at risk of homelessness and must provide housing stabilization services and after placement follow up for clients.
- Maximum Assistance: \$1,500 per household
- Uses: Security and utility deposits, moving expenses, and first month's rent

X. BUNCOMBE COUNTY PERMIT FEE REBATE PROGRAM

XI. BUNCOMBE COUNTY EMPLOYEE HOUSING ASSISTANCE PROGRAM



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AHSP REVIEW

PROGRAM REQUIREMENTS & GUIDELINES

X. MINORITY BUSINESS PARTICIPATION

XI. REVIEW PROCEDURE

XII. ADMINISTRATION



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AHSP REVIEW

APPLICATION

- Overview
- Applicant Information
- Project Summary
- Project Team
- Past Experience
- Construction/Conversion Construction Project Details
- Downpayment Assistance
- Emergency Repair Details
- Tenant-Based Rental Assistance
- Conflicts of Interest
- Attachments (Scoring Sheet and Budget)



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AHSP REVIEW