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

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
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

BUNCOMBE COUNTY

HNA 2019

POPULATION

- 2010: 238,318
  - City of Asheville: 83,393 (35%)
  - Buncombe County: 154,925 (65%)
- 2018 (Estimate): 266,322
  - City of Asheville: 92,452 (35%)
  - Buncombe County: 173,870 (65%)
- 2023 (Projected): 284,221
  - City of Asheville: 99,477 (35%)
  - Buncombe County: 184,744 (65%)

BUNCOMBE COUNTY

HNA 2019
OVERCROWDED HOUSEHOLDS

- Severe Overcrowded Renter Household: 394 (2014) vs. 878 (2019)
- Overcrowded Owner Household: 878 (2014) vs. 817 (2019)

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%
**MEDIAN RENTS**
**MARKET RATE MULTIFAMILY**

<table>
<thead>
<tr>
<th>BEDROOM</th>
<th>BATH</th>
<th>2014 MEDIAN RENT</th>
<th>2019 MEDIAN RENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STUDIO</td>
<td>1</td>
<td>$667</td>
<td>$825</td>
</tr>
<tr>
<td>1 BR</td>
<td>1-2</td>
<td>$830</td>
<td>$1,054 - $2,155</td>
</tr>
<tr>
<td>2 BR</td>
<td>1-2.5</td>
<td>$800 - $1,031</td>
<td>$1,100 - $1,310</td>
</tr>
<tr>
<td>3 BR</td>
<td>1-3.5</td>
<td>$739 - $1,100</td>
<td>$889 - $6,928</td>
</tr>
<tr>
<td>4 BR</td>
<td>1.5-2</td>
<td>$789 - $1,005</td>
<td>$1,000 - $1,560</td>
</tr>
</tbody>
</table>

**ANNUAL MEDIAN SALES PRICE**

BUNCOMBE COUNTY

HNA 2019
**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**

[Bar chart showing the total county renter households by income for different years (2010, 2018, 2023).]
TOTAL COUNTY OWNER HOUSEHOLDS BY INCOME

NEXT STEPS

ANNOUNCEMENTS

PUBLIC COMMENT

ADJOURN
AFFORDABLE HOUSING SERVICES PROGRAM

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

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
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.

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 (<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 (<80% AMI adjusted for household size)

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

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
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

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
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 (≤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 ≤$15,000:
  o Must be forgivable loan funded repayable within ten (10) years sold

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 (≤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 refines unit
• Interest Rate: 0%
• Loan Agreements: Loan agreements shall be executed between the County and applicant for the project
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

PROGRAM REQUIREMENTS & GUIDELINES

X. MINORITY BUSINESS PARTICIPATION
XI. REVIEW PROCEDURE
XII. ADMINISTRATION
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)