

Affordable Housing Committee
May 19, 2020, 1:00 p.m. - 2:00 pm
30 Valley Street Meeting Room

DRAFT MINUTES

Due to the COVID-19 pandemic, no public attendance was permitted. The public was able to view the meeting via Microsoft Teams.

Committee Members Present

Joe Belcher, Amanda Edwards, Brownie Newman

County Staff Present

Matthew Cable, Brandon Freeman, Nate Pennington, Amanda Stratton onsite; William High and Sybil Tate electronically.

Call to Order & Welcome

Overview of the Agenda and Public Comment Processes

- Matthew Cable indicated that the meeting agenda was provided to community partners and made available online. The agenda indicates that public comment was requested to be made via email by 5 p.m. the day prior to the meeting. In total three emails were received. He indicated that the public will have an additional opportunity, through the Microsoft Teams “Q & A” option, to submit public comment during the regular public comment period as well.

New Business

Preference Survey Activities

- Matthew Cable provided the committee with introductory information about the two preference survey activities which would be conducted during this portion of the meeting. He explained that the County and Committee were often tasked with comparing largely dissimilar projects and prioritizing projects competitively. These larger, complex priority decisions involve weighing out dozens of smaller differences. Ultimately, the annual Affordable Housing Services Program allocation of funding involves prioritizing preferences and making decisions on projects.
- Amanda Stratton explained that the preference survey activities were intended to aid staff in developing priorities for project selection moving forward.
- Matthew Cable explained that the committee would provide responses to the two surveys, links to which were just emailed to them, and then staff would provide them with the compiled results later in the meeting.
- The Committee participated in the electronic preference survey activities.

Affordable Housing Services Program Loan Deferral Consideration

- Matthew Cable explained that multifamily construction loan projects provide payments on an annual basis based on contractual loan terms executed at the time of award and existing promissory notes.

- He explained that these payments are received as program income. Program income received in the current fiscal year is typically added to Affordable Housing Services Program funds available in the next fiscal year. For example, FY 2020 program income received from the loan repayments would typically be applied to the FY 2021 Affordable Housing Service Program allocations. He explained that, in FY 2020 a single multifamily construction loan payment remained due in the amount of \$20,000. The current open multifamily construction loans have a combined total payments receivable of just under \$50,000 per fiscal year.
- He explained that there are two entities which have open loans with payments due in FY 2020 and FY 2021. These include MHO and LLCs owned by Kirk Booth.
- Matthew Cable explained that one entity had expressed concern about COVID-19 impacts on the economic ability of residents to make rent payments.
- Matthew Cable explained that the County could consider allowing loan payment deferral requests as the City of Asheville had done. Staff would be prepared to provide additional detail to the Committee at its next meeting, as this agenda item was intended to provide an introduction to the subject under consideration.
- Chairman Newman expressed concern about any blanket deferral program and suggested that any deferral request should be considered on a case by case basis.
- Commissioner Belcher agreed that deferral consideration should be case by case and based on the requestor proving the need for deferral or inability to provide payment.
- Commissioner Edwards felt that any deferral consideration should be for a defined period of time and be specifically related to COVID-19 impacts on the financial position of the entity.
- Matthew Cable explained that the Committee would be able to consider this further at its next meeting. He explained that any modification to Promissory Notes to allow deferral would, according to County legal, need to go before the Board of Commissioners for consideration on an individual basis.

Approval of Minutes

- Matthew Cable explained that the Notice of Special Called meeting did not specifically indicate the minutes of the February 4, 2020 and April 24, 2020 would be considered for Committee action. Upon advisement of County legal staff, approval of minutes would be held until the next Affordable Housing Committee Meeting.

New Business

Preference Survey Activities Review

- Matthew Cable and Amanda Stratton reviewed the committee members' responses to the two preference survey activities (see attached survey results).
- The committee discussed options and opportunities for promoting, expanding, and investing in affordable housing were discussed.

Next Steps*FY 2021 Affordable Housing Services Program Application Drafting*

- Matthew Cable explained that the delay in the ability to conduct the preference survey activities may push back release of the FY 2021 Affordable Housing Service Program application. He indicated staff would work to bring back an application draft as soon as possible.

Public Comment

- Three comments received via email were read by Matt Cable to the commissioners (see attached emails).
- Chairman Newman made a motion to adjourn the meeting and all voted in favor

Preference Survey Activity One

Application Preferences	
a single application window	an initial application window with rolling application options during a defined period thereafter
a RFP process to identify provider(s) to administer emergency repair programs for a multi-year term	an annual grant application for emergency repair
an annual grant application for tenant based rental assistance	an RFP process to identify provider(s) to administer tenant based rental assistance programs for a multi-year term

Financial/Funding Preferences	
maximum loan amount of \$10,000 per unit	maximum loan amount of \$25,000 per unit
non-profit applicants	for profit applicants
not allowing tax reduction requests	for profit applicants
loan interest rate at fixed value	loan interest rate based on projected earnings
loan length determining discount interest rate	loan interest rate based on projected earnings
loan interest rates at market	loan interest rates at discount
affordability period beyond the program funding period	loan interest rates at discount
interest rates determined each program year and varying based on better than market rates and loan amount, length, and repayment terms	2% interest, fully amortizing, 15-year loans for multifamily construction
project without 9% LIHTC with additional funding	9% LIHTC projects with additional funding
4% LIHTC	9% LIHTC
less investment per unit	more investment per unit
recurring revenue source generation	reliance on general fund transfer
construction loans	construction grants

Program Preferences	
construction loan program	downpayment assistance program
housing for individuals who are elderly	housing for individuals who are disabled
housing for the general population	housing for individuals who are disabled
housing for the general population	housing for individuals who are elderly
affordable housing	attainable housing
workforce housing	affordable housing
homeownership initiatives	multifamily for rent construction
increasing affordable housing stock	reducing substandard housing
increasing affordable housing stock	preserving existing housing stock
emergency repair	tenant based rental assistance
new construction	emergency repair
product delivery support	program administration support

Unit Preferences	
projects along public transportation routes	projects adjacent to needed services
geographic distribution of projects	geographic concentration of projects
multifamily affordable units for rent	multifamily affordable units for rent
multi-family construction	single family construction
new construction	conversion/rehabilitation construction
mixed bedroom unit developments	single unit type development
two bedroom units	one bedroom units
one bedroom units	studio units

Preference Coding	
100.00% Preference (Three preference votes)	
66.66% Preference (Two preference votes)	
33.33% Preference (One preference vote)	
0.00% Preference (No preference votes)	

Preference Survey Activity Two

Rank	Program	Average
1	Multifamily Construction Loans	1.00
2	Single Family Construction Loans	3.67
3	Downpayment Assistance Loans	4.00
3	Tenant Based Rental Assistance	4.00
4	New Construction Grant (Non-Revenue Generating)	5.00
5	Emergency Repair Grant	5.33
6	New Start Program	6.00
7	Buncombe County Employee Housing Assistance Program	7.67
8	Buncombe County Manufactured Home Removal Program	8.33

Rank	Project	Average
1	Multifamily with Units for Sale	2.67
1	Multifamily for Rent with 4% LIHTC	2.67
1	Multifamily for Rent with 9% LIHTC	2.67
2	Multifamily for Rent without LIHTC support	3.67
3	Singlefamily Projects with Units for Sale	4.00
4	Alternative Projects (Non-Revenue Generating)	5.33

Rank	Target Population/Alternative Program	Average
1	Projects serving persons who are hard to house	1.33
2	Projects serving persons who are homeless	2.33
3	Projects serving persons who are disabled	3.00
4	Projects serving persons who are elderly	3.33
5	Projects focused on expanding Section 8 Vouchers	5.33
6	Projects focused on homeowner education programs	5.67
7	Projects focused on providing administrative support	7.00

From: [Greg Borom](#)
To: [William High](#)
Subject: Public comments for 5/19 Affordable Housing Committee
Date: Monday, May 18, 2020 4:27:42 PM



BC Email Security couldn't recognize this email as this is the first time you have received an email from this sender GregB@childrenfirstbc.org

Dear Chairman Newman and Commissioners Edwards and Belcher,

I encourage your committee to recommend a FY21 budget for affordable housing that can provide resources to spur public/private partnership in developing new, affordable homes for families and maintain commitments to AHSP investments in home repair, homebuyer assistance, rental assistance. I understand the County's budget will experience a significant downturn due to lost sales tax revenue and other COVID-related financial expenses. However, the need for an ambitious county investment in housing remains. Specifically, we believe the County should develop a separate new housing construction fund with separate guidelines/application from AHSP to spur partnerships between the County and private/nonprofit developers – especially those that might leverage Low Income Housing Tax Credits (LIHTC).

Another critical need for our county's families that has only grown more urgent with the COVID pandemic is rental assistance and eviction prevention. We encourage the county to look for funding and programmatic opportunities to prevent an increase in homelessness and evictions in the coming months.

Sincerely, Greg

Greg Borom, Director of Advocacy

Children First/Communities In Schools of Buncombe County

828.423.0698 | gregb@childrenfirstbc.org

Pronouns: He/Him/His

Mailing Address: PO Box 16695 Asheville, NC 28816

Physical Address: 37 Brickyard Rd. Asheville, NC 28806

From: [Carmen Ybarra](#)
To: [William High](#)
Subject: Comment for Affordable Housing Committee Meeting
Date: Monday, May 18, 2020 4:45:25 PM



BC Email Security couldn't recognize this email as this is the first time you have received an email from this sender carmenybarra@justeconomicswnc.org

Hello,

I am requesting that the county to develop a dedicated new housing fund separate from the Affordable Housing Services Program to spur new construction while maintaining investments in AHSP to address other important housing needs like repair, eviction prevention, home buyer assistance, rental assistance, etc.

Thank you,
Carmen Ybarra

From: [Kate Pett](#)
To: [William High](#)
Subject: Create new housing fund
Date: Monday, May 18, 2020 4:46:16 PM



BC Email Security couldn't recognize this email as this is the first time you have received an email from this sender kpethhomeoffice@gmail.com

Dear Buncombe County Affordable Housing Committee,

Buncombe County desperately needs investment in a dedicated fund for new housing construction. The Affordable Housing Services Program is important but not sufficient to meet the changing circumstances and to be ready to seize opportunities that may arise to create more affordable housing stock.

The current crisis will likely create conditions similar to the last recession when many properties became available at lower rates. There will be an opportunity to partner with developers to create new affordable housing stock **but only if the county has a flexible pot of funds for this purpose**.

Creating new affordable housing stock is an essential piece of addressing the crisis in our community.

Thanks for all you do - Kate Pett

Kate Pett
Director, Thrive Asheville
CEO, Kate Pett Consulting
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Thrive's Mission is to help steer growth through shared learning and coordinated action to build a more sustainable, affordable Asheville for all.