City of Asheville Staff Report

City Council Meeting Date: October 13, 2026

Staff Resources:

Nikki Reid, Community and Economic Development Director
Jannice Ashley, Deputy City Attorney
Carly Gillingham, Assistant City Attorney

Action Requested:

Adoption of a resolution approving the issuance of bonds or notes by the Housing Authority of the City of Asheville for 319 Biltmore B Avenue.

Background:

- The Asheville Housing Authority was created by the City of Asheville in 1940 in accordance with Chapter 157 of the NC General Statutes.
- It is a public body and is independent from the City with its own powers as outlined in North Carolina General Statute Chapter 157.
- The Housing Authority is governed by a Board of Commissioners, consisting of 7 members, who serve for a 4 year term and are appointed by the Mayor of the City of Asheville.
- The Internal Revenue Service requires that any bonds issued by the Housing Authority for developments such as the one described herein, have the financing plan approved by the City Council, following a public hearing with respect to such a plan.
- 319 Biltmore B, LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”) has requested that the Asheville Housing Authority (the “Issuer”) issue up to $9,500,000 in multifamily housing revenue bonds for the acquisition and construction of a new 112-unit affordable rental development known as 319 Biltmore B located on a 3.54 acre site at 4 John Walker Avenue, in the City of Asheville parcel identified as PIN 9648-46-0425 in the Buncombe County Registry.
- The project will consist of one residential building. There will be a mix of studios, 1, 2, and 3-bedroom units. All units will be set aside for individuals and families at or below 80% of Area Median Income (“AMI”); 41 of the units shall be affordable to and occupied by individuals and families at or below 60% AMI and 31 of the units shall be affordable to and occupied by individuals and families at or below 30% of AMI.
- The affordability period will be 40 years.
- LSR Biltmore B, LLC (Laurel Street) is the developer of this project and is an affiliate of the owner.
- Construction is scheduled to commence in December 2026 and has an expected completion date of June, 2028.
- Staff notes that approval does not obligate the City in any way to issue or pay for the bonds, or for any debt taken on by the developer.

Vendor Outreach: N/A

Council Vision 2036 Focus Area(s):

- Quality Affordable Housing

Council Priority Recovery Area(s):

- Housing

Committee(s): None

Fiscal Impact: This action requires no City resources and has no fiscal impact.

Suggested Motion:

- Motion to adopt a resolution approving the issuance by the Housing Authority of the City of Asheville of up to $9,750,000 of multifamily housing revenue bonds or notes to provide financing for 319 Biltmore B Avenue and to satisfy Section 147(f) of the Internal Revenue Code.

Attachment(s):

- Resolution
- This location map is of 319 Biltmore B Avenue in Asheville, N.C.

CITY OF ASHEVILLE RESOLUTION NUMBER 26-_____

Resolution Approving The Issuance of up to $9,750,000 Multifamily Housing Revenue Bonds or Notes to Provide Financing for 319 Biltmore B to Satisfy Section 147(F) of the Internal Revenue Code

Whereas, the City Council (the "City Council") of the City of Asheville, North Carolina (the "City") met in Asheville, North Carolina at 5:00 p.m. on the 13th day of October, 2026; and

Whereas, the Housing Authority of the City of Asheville (the "Issuer") has tentatively agreed to issue its multifamily housing revenue bonds or notes in one or more series in an amount not to exceed $9,750,000 (the "Bonds"), for the purpose of providing financing to 319 Biltmore B, LLC, a North Carolina limited liability company, or an affiliated or related entity (the "Borrower"), for the acquisition, construction and equipping of a 112-unit qualified residential rental project (as defined in Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code")) to be known as 319 Biltmore B (the "Development"); and

Whereas, the Development will be located at approximately 4 John Walker Avenue in the City of Asheville, North Carolina; and

Whereas, Section 147(f) of the Code requires that any bonds issued by the Issuer for the Development may only be issued following a public hearing with respect to such bonds and after approval of the plan of financing by the City Council of the City; and

Whereas, on September 3, 2026, the Issuer held a public hearing with respect to the issuance of the Bonds to finance, in part, the Development (as evidenced by the Certificate and Summary of Public Hearing attached hereto) and has requested that the City approve the issuance of the Bonds as required by the Code; and

Whereas, the City has determined that approval of the issuance of the Bonds is solely to satisfy the requirement of Section 147(f) of the Code and shall in no event constitute an endorsement of the Bonds or the Development or the creditworthiness of the Borrower, nor shall such approval in any event be construed to obligate the City for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Issuer, or to constitute the Bonds or any of the agreements or obligations of the Issuer an indebtedness of the City, within the meaning of any constitutional or statutory provision whatsoever;

Now, therefore, be it resolved by the City Council of the City of Asheville, North Carolina:

1. The proposed issuance by the Housing Authority of the City of Asheville of the Bonds in one or more series in an amount not to exceed $9,750,000 to finance, in part, the costs of the acquisition, construction and equipping of the Development described above by the Borrower is hereby approved for purposes of Section 147(f) of the Code.

2. This resolution shall take effect immediately.

Read, approved and adopted this 13th day of October, 2026.

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Esther E. Manheimer, Mayor

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Brad Branham, City Attorney

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Magdalen Burleson, City Clerk