AFFORDABLE HOUSING SUBCOMMITTEE

September 2, 2025

AGENDA

- Call to Order & Welcome
- Public Comment
- Meeting Minutes
- Presentations
  - 2025 Tax Credit Awards & Low-Income Housing Tax Credits (LIHTC) Review
  - Helene Housing Recovery Projects
  - AHSP Revisions
  - Affordable Housing Services Program (AHSP) Budget
- Announcements
- Adjourn

PUBLIC COMMENT



APPROVAL OF MEETING MINUTES



AUGUST 5, 2025

PRESENTATIONS

2025 TAX CREDITS

Jonathon Jones

Community Development Analyst

LOW INCOME HOUSING TAX CREDITS

- LIHTC Program: federal tool to incentivize affordable rental housing development
- LIHTC is codified in Section 42 of the U.S. Internal Revenue Code (IRC § 42)
- Credits allocated to each state according to its population
- North Carolina Housing Finance Agency (NCHFA) manages credits allocated to North Carolina
- Annual Qualified Allocation Plan (QAP) defines program requirements, priorities and application process

LIHTC: HOW IT WORKS

- LIHTC provides a $ for $ tax credit that is used over 10 years
- Developers typically sell the 10-year stream of tax credits to investors in exchange for equity financing
- Equity raised is used as a source to fund affordable housing projects
- Lower financing costs make it financially feasible for tax credit properties to charge lower rents and increase the supply of affordable rental housing
- 9% credit is generally reserved for new construction and delivers up to a 70% subsidy

LIHTC PROJECT COMPLIANCE

- Rent restrictions and regular monitoring
- Tenant households must be earning ≤60-80% of Area Median Income (AMI)
- Affordability is required for 30 years
  - 15-year compliance period, and
  - 15-year extended used period.
- Non-compliance in the first 15 years can result in recapture of the tax credits
- A project is generally qualified if at least 40% of units are both rent restricted and are occupied by tenants whose income ≤60% of AMI

LOCAL LIHTC AWARDS

North Carolina Housing Finance Agency (NCHFA) announced the 2025 tax credit awards

Project	Organization	Location	9% Awards	4% Awards	Units
Villas at Swannanoa	WDT Development	Asheville	$1,300,000	$0	58
Rocky River Apartments	Fitch Irick Development	Woodfin	$0	$2,153,232	120

HELENE HOUSING RECOVERY PROJECTS

Kathleen Blackney

Management Analyst



Our Helene Recovery Plan

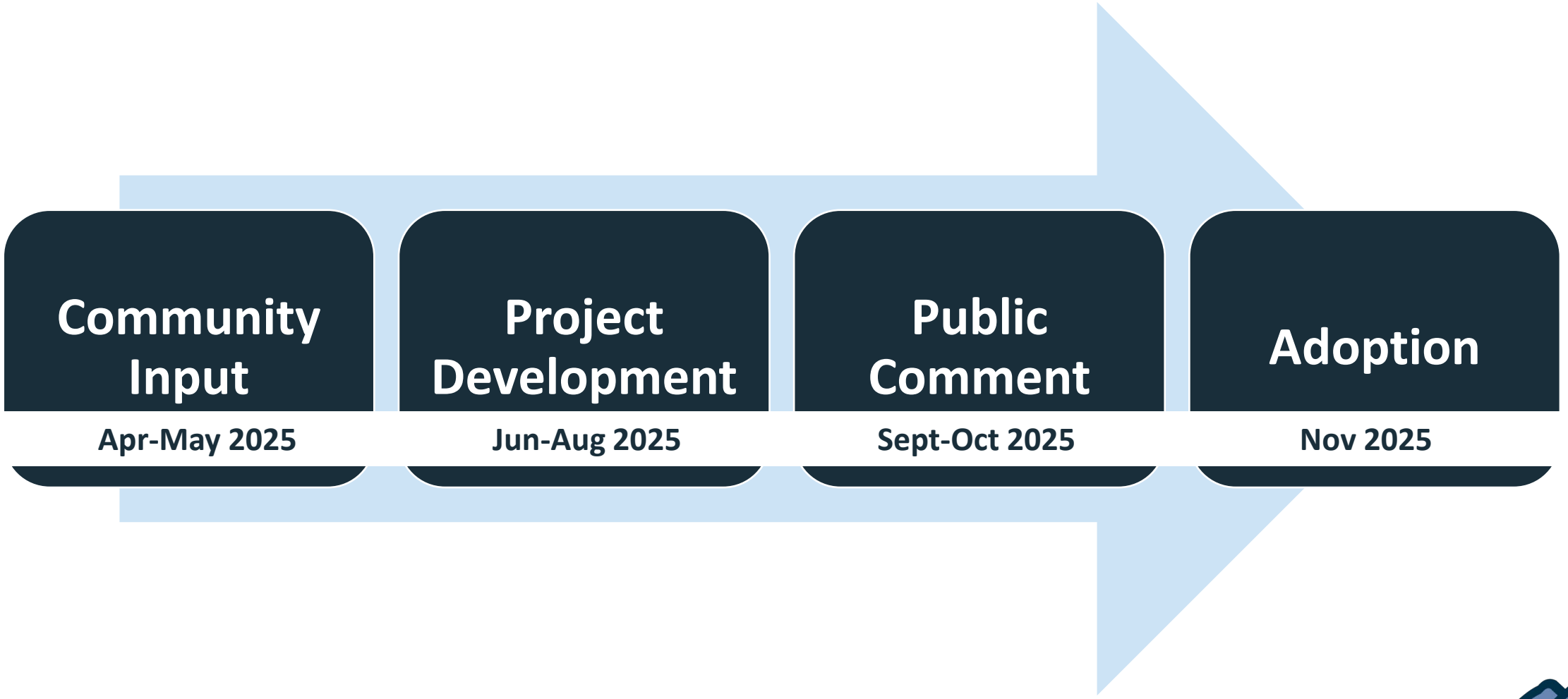
*What the plan **IS:***

- Created in collaboration with the City of Asheville & the 5 towns
- Tailored to each local government's organizational scope
- Reflective of community voice
- Grounded in impact & needs data
- Aligned to strategic organizational objectives
- A list of projects we can reasonably plan to deliver on

*What the plan **IS NOT:***

- An overall community plan
- A funding plan
- An implementation plan
- A guarantee that these projects will come to fruition
- Set in stone (as circumstances change, the plan can be updated)

Schedule


Community Input
Apr-May 2025
Project Development
Jun-Aug 2025
Public Comment
Sept-Oct 2025
Adoption
Nov 2025

ENVISION BUNCOMBE

VISUALIZA BUNCOMBE

2,622
Survey Responses Received

Planning Recovery, Building Resilience, Creating a Better Buncombe.

Planificando la Recuperación, Fortaleciendo la Resiliencia, Construyendo un Buncombe Mejor.

BUNCOMBE COUNTY
PEOPLE TO MATCH OUR MOUNTAINS
NORTH CAROLINA



Projects* by Strategic Plan Focus Area

Strategic Plan Focus Area	# of Projects	Percent
Growth & Development	7	23%
Economic Development	3	10%
Education	0	0%
Community Health	5	16%
Public Safety	13	42%
Energy & Environment	3	10%
Grand Total	**31**	**100%**

**Projects here reflect Buncombe County-sponsored projects only*

Housing-Related Projects

- Affordable Housing Development
- Down Payment Assistance
- Home Repair

Affordable Housing Development

Project Description: Work with selected developers to build affordable housing on county-owned property, including parcels on Coxe Avenue, Ferry Road, and Valley Street.

Benefits & Intended Outcomes: In addition to replacing affordable housing that was impacted by Helene, this contributes to economic revitalization by incorporating mixed use options, outdoor public recreation, and other amenities for healthy and thriving communities.

- Coxe Avenue: Provide 100% affordable housing units with redesigned streetscapes, green roofs, interconnected transportation, pedestrian amenities, and mixed-use development
- Ferry Road: Conserve more than 70 acres of natural space; provide 4 miles of public trails and greenways and provide 645 units of rental, ownership, and affordable housing
- Valley Street: Develop 2.44 acres of county-owned property to create 196 housing units for households between 20-80% area median income

Activities & Deliverables: These projects are public-private partnerships with developers experienced in affordable housing. The projects will pursue Low Income Housing Tax Credits (LIHTC), and Buncombe County will work with selected developers to apply for grant opportunities, including Community Development Block Grant Disaster Recovery (CDBG-DR) funding. Plans and permits require approval by the City of Asheville.

Down Payment Assistance

Project Description: Establish a down payment assistance program for low- and moderate-income households affected by Helene. Down payment assistance would provide loans to income-eligible homebuyers who have been permanently displaced due to the storm.

Benefits & Intended Outcomes: Down payment assistance will help families get back into homes and stabilize local communities as they recover from the impacts of Tropical Storm Helene. The program is designed to serve low- and moderate-income households (households at <80% AMI), which generally have inequitable access to safe, affordable housing in Buncombe County, as evidenced by recent Housing Needs Assessments.

Activities & Deliverables:

- Board of Commissioners approve the project and associated budget.
- Staff recommend revisions to the AHSP Guidelines to reflect the specific use of downpayment assistance for households impacted by the storm.
- The Affordable Housing Subcommittee reviews revisions and recommends to the full Board of Commissioners for approval.
- Staff publishes application or request for proposals.
- The Affordable Housing Subcommittee reviews applications and recommends funding to the full Board of Commissioners for approval.
- Staff executes contracts with funded organizations; monitors work and manages disbursement of funds.

Home Repair

Project Description: Implement a grant program to assist low- and moderate-income survivor households with home repair needs beyond what other disaster resources can meet.

Benefits & Intended Outcomes: This project will provide safe, healthy, and habitable housing while reducing further financial harm to low- and moderate-income households using a unique model that addresses work already completed (Post-Repair) as well as work to be completed (Pre-Repair). The Post-Repair option allows eligible applicants to receive compensation for recovery-related work completed prior to the launch of formal assistance programs and paid for with personal funds or private loans. Through the Pre-Repair option, homeowners with more limited resources can provide written construction estimates for Helene related, necessary and reasonable, habitability repairs be completed and then reimbursed with payment directly to the contractor. This approach allows a shorter period of carrying debt or using limited cash funds for the homeowner.

Activities & Deliverables:

- Identify program funding sources.
- Establish program guidelines and determine model for program management.
- Deliver financial assistance to reimburse low- and moderate-income survivor households for home repairs.

Next Steps

- Produce a draft plan including all Buncombe County-sponsored projects + those from the City of Asheville and 5 towns
- Release the draft Helene Recovery Plan for public comment in September
- Modify the plan based on feedback
- Bring updated plan to the Board of Commissioners for adoption in November

AHSP REVISIONS

Jonathon Jones

Community Development Analyst

PROGRAM DESCRIPTION
VII. PROJECT PRIORITIES & PREFERENCES

Current

Proposed Additional Language

Applicants may not combine multiple applications or awards from the same or different program years to exceed program maximums.

PROGRAM REQUIREMENTS AND GUIDELINES
V. PROJECT AND REIMBURSEMENT TIMEFRAME

Current

Proposed Additional Language

AHSP loans and grants are reimbursement based and are reimbursed upon receipt of documentation of eligible expenses paid. At the time of application, grantees may request advanced payments only if able to demonstrate such payments are necessary for project viability.

PROGRAM REQUIREMENTS AND GUIDELINES

VI. CONSTRUCTION LOAN PROGRAM

TERMS APPLICABLE TO ALL CONSTRUCTION LOANS

Current

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.

Proposed Additional Language

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. Applicants must indicate if the borrower entity is or will be different from the applicant.

PROGRAM REQUIREMENTS AND GUIDELINES

VI. CONSTRUCTION LOAN PROGRAM

TERMS APPLICABLE TO ALL CONSTRUCTION LOANS

Current

Uses: Affordable unit construction, infrastructure improvements, professional services, and costs of permitting (including site work and soft costs).

Proposed Additional Language

Uses: Affordable unit construction, infrastructure improvements, professional services, and costs of permitting (including site work and soft costs).Funds may not be used for property acquisition, purchase options, feasibility studies, or other pre-development costs incurred prior to the execution of the AHSP loan agreement. These expenses should be reflected in the total project budget, but funds may not be used to reimburse these expenses.

PROGRAM REQUIREMENTS AND GUIDELINES

VI. CONSTRUCTION LOAN PROGRAM

TERMS APPLICABLE TO ALL CONSTRUCTION LOANS

Current

Proposed Additional Language

Structure: Loans are structured as recourse loans. At the time of application, applicants may request non-recourse terms for the permanent phase of the loan only if able to demonstrate the loan structure is necessary for project viability.

PROGRAM REQUIREMENTS AND GUIDELINES

VI. CONSTRUCTION LOAN PROGRAM

ADDITIONAL LOAN TERMS APPLICABLE TO NEW AND CONVERSION CONSTRUCTION AND REHABILITATION: UNITS FOR SALE

Current

Term and Interest Rate: Five (5) years or until the property is transferred or sold, whichever occurs first. Fully amortizing at an interest rate of 2.00%.

Proposed Additional Language

Term and Interest Rate: Five (5) years or until the property is transferred or sold, whichever occurs first. Fully amortizing at an interest rate of 2.00%. At the time of application, public or private non-profit agencies with IRS 501(c)(3) or similar designation may request 0% interest if all borrowed funds will convert to downpayment assistance loans.

PROGRAM REQUIREMENTS AND GUIDELINES

VI. CONSTRUCTION LOAN PROGRAM

ADDITIONAL LOAN TERMS APPLICABLE TO NEW AND CONVERSION CONSTRUCTION AND REHABILITATION: UNITS FOR RENT

Current

Proposed Additional Language

Conversion: Loans are structured with a construction phase then convert to a permanent loan for the approved term. During the construction phase, funds may be reimbursed for eligible expenses paid and interest will accrue on funds drawn.

BUNCOMBE COUNTY AFFORDABLE HOUSING FUNDS

Jonathon Jones

Community Development Analyst

PRIOR YEAR FUNDS & PROGRAM INCOME

$ 399,626.00	AHSP FY23 Unallocated*
$ 311,845.00	AHSP FY25 Unallocated
$ 450,690.00	Program Income
$ 1,162,161.00	Total Potentially Available

*Approximately $24,000 remains identified for studies associated with Valley Street.

ANNOUNCEMENTS



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