AFFORDABLE HOUSING SUBCOMMITTEE

September 1, 2026

AGENDA

- Call to Order & Welcome
- Public Comment
- Approval of Meeting Minutes: August 4, 2026
- New Business
  - Subcommittee Bylaws Revision
  - AHSP Application Cycle and Policy Revisions
- Presentations
  - Evictions: Annual State Data of Buncombe County Summary Ejections
  - Low Income Housing Tax Credit & CDBG-DR Awards For LIHTC Projects
- Announcements
- Adjourn

PUBLIC COMMENT



APPROVAL OF MEETING MINUTES



August 4, 2026

NEW BUSINESS

SUBCOMMITTE BYLAWS REVISION

Jonathon Jones

Community Development Analyst

SUBCOMMITTEE BYLAWS

SECTION II.D.1

Chair and Vice-Chair

The Subcommittee members shall appoint a Chairperson from the Commissioner Members and Vice-Chairperson from its membership by majority vote to serve a one (1) year term and until such person's successor is appointed by the Subcommittee. Said appointments should be made during the first regularly scheduled meeting of each ~~County fiscal~~ calendar year and take effect immediately upon the successful majority vote.

RECOMMENDED ACTION

Motion to amend the bylaws to appoint a Chair and Vice Chair at the first regularly scheduled meeting of each calendar year.

AHSP APPLICATION CYCLE AND POLICY REVISIONS

Jonathon Jones

Community Development Analyst

SUMMARY OF REVISIONS

No Further Consideration Requested

- Documentation Requirements
- Project Scope Requirements
- For-sale Loan Maximum
- Standard, Optional and Special Loan Terms
- Add Mortgage Assistance
- Create Two Application Categories
- Application Completeness Check

Additional Consideration Needed

- Rental & Mortgage Assistance Maximum
- AHSP Grants Maximum Admin Costs
- AHSP Grants Reconsider New Start & Admin Support Programs
- Minimum Developer Fee
- Special Cashflow Payment Terms

RENTAL AND MORTGAGE ASSISTANCE PROGRAM MAXIMUM

Proposed:

Maximum Assistance: $2,500 per household.

Purpose:

- Eliminate $1,500 threshold regularly exceeded due to household needs.
- Consider alignment with Fair Market Rent (FMR) and Housing Authority Payment Standard.

RENTAL AND MORTGAGE ASSISTANCE PROGRAM MAXIMUM

	Efficiency		1 Bedroom		2 Bedroom		3 Bedroom		4 Bedroom	
Year	**FMR**	**HACA**	**FMR**	**HACA**	**FMR**	**HACA**	**FMR**	**HACA**	**FMR**	**HACA**
2026	$1,227	$1,472	$1,674	$1,714	$1,835	$1,880	$2,231	$2,286	$3,078	$3,154
2025	$1,286	$1,543	$1,347	$1,6,16	$1,512	$1,814	$1,944	$2,332	$2,566	$3,079
2024	$1,428	$1,713	$1,496	$1,795	$1,680	$2,016	$2,160	$2,851	$3,278	$3,933
2023	$1,270	$1,397	$1,298	$1,557	$1,466	$1,759	$1,949	$2,338	$2,497	$2,996
2022	$1,118	$1,307	$1,209	$1,393	**$1,378**	**$1,588**	$1,879	$2,165	$2,359	$2,719

AHSP GRANTS MAXIMUM ADMINISTRATIVE COSTS

Proposed:

- Administrative, program management, overhead and indirect costs may not exceed 10% of awarded funds and individual reimbursements.

Purpose:

- Set administrative cost expectations.

AHSP GRANTS RECONSIDER NEW START & ADMIN SUPPORT PROGRAMS

Proposed:

Combine or eliminate New Start and Administrative Programs

Purpose:

- Reduce time applicants invest in unfunded requests.
- No New Start or Administrative requests funded since 2022.
- 24 of 30 New Start and Administrative requests not funded since 2020.

Options:

- Combine and fund innovative activities through Administrative Program.
- Eliminate and focus funding on existing activities that include administrative costs.

MINIMUM DEVELOPER FEE

Proposed:

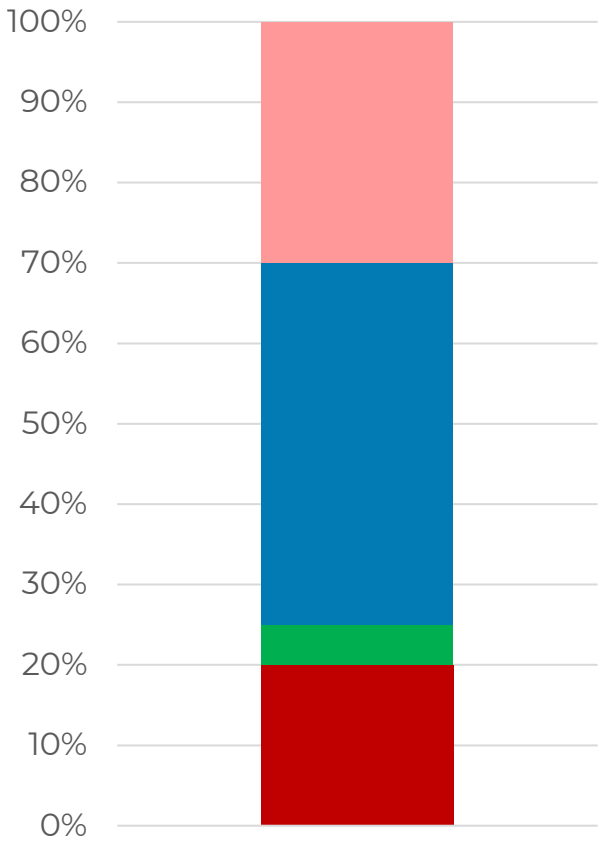
Applicants must defer a minimum of 10% of the proposed developer fee. All developer fees must be paid prior to year 15. Any reduction of deferred fees at contracting will result in a dollar-for-dollar reduction of funds awarded.

Purpose:

- Ensure developer fees are leveraged to reduce funding gaps.
- Clarify developer fee payment standard that aligns with LIHTC program.
- Maintain funding consistency between applications and awards.

MINIMUM DEVELOPER FEE

Sample Application Capital Stack



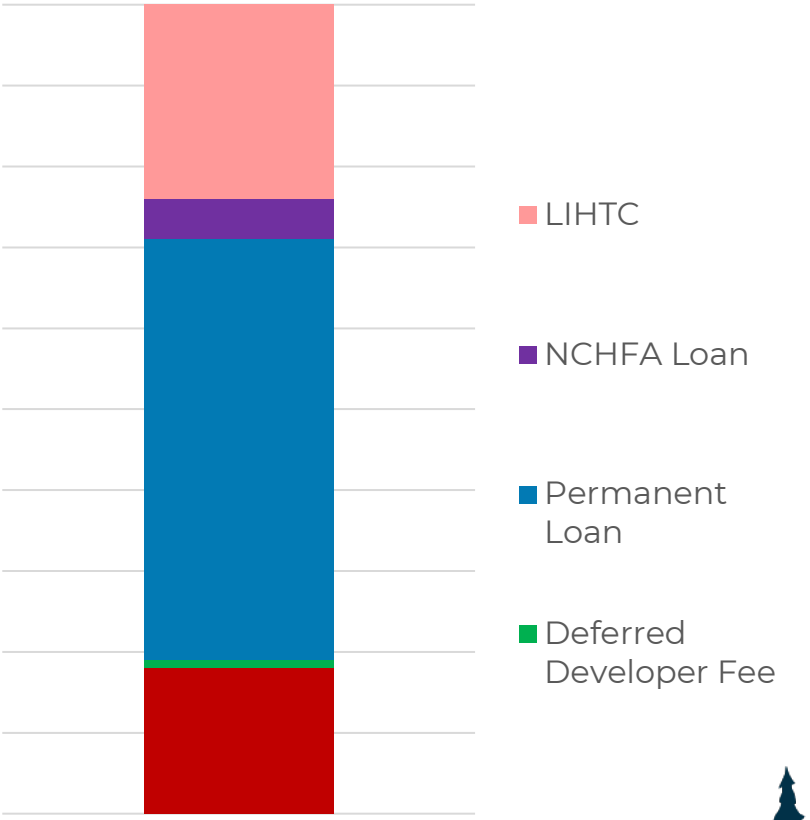
Additional NCHFA Loan

Increased Bank Loan

Reduced Deferred Developer Fee

Reduced AHSP Award

Sample Contract Capital Stack



MINIMUM DEVELOPER FEE

Developer fee commitments have shifted anywhere from 0%-59% between application and contracting.

Application				Contract			
Project	Developer Fee	Deferred	%	Developer Fee	Deferred	%	Difference
1	$ 2,520,000	$ 1,260,000	50%	$ 3,024,000	$ 249,021	8%	$ (1,010,979)
2	$ 1,800,000	$ 200,000	11%	$ 1,800,000	$ 28,767	2%	$ (171,233)
3	$ 2,745,000	$ 412,500	15%	$ 2,700,000	$ 289,493	11%	$ (123,007)
4	$ 1,039,500	$ 284,214	27%	$ 1,039,500	$ 208,372	20%	$ (75,842)
5	$ 1,050,000	$ 261,234	25%	$ 1,317,649	$ 330,390	25%	$ 69,156
6	$ 3,120,000	$ 1,437,671	46%	$ 3,120,000	$ 1,560,000	50%	$ 122,329
7	$ 1,200,000	$ 0	0%	$ 1,200,000	$ 332,310	28%	$ 332,310
8	$ 1,637,117	$ 0	0%	$ 1,092,000	$ 442,805	41%	$ 442,805
9	$ 1,404,000	$ 130,261	9%	$ 1,404,000	$ 833,233	59%	$ 702,972

SPECIAL CASHFLOW PAYMENT TERMS

Proposed:

- Annual payments calculated at 50% of available cashflow after deferred developer fees. Asset management fees, investor service fees, incentive fees, reserves, other soft debt payments or distributions to the ownership entity paid from cashflow must be paid from remaining 50% of available cashflow.
- Cashflow payments will be applied first to accrued interest and then principal.

Purpose:

- Increase timely repayment of cashflow loans for future use.

SPECIAL CASHFLOW PAYMENT TERMS

Variable Cashflow Position

	Project 1	Project 2	Project 3	Project 4
1	Investor Member Fee	Investor Services Fee	Investor Member Fee	Investor Member Fee
2	Tax Credit Adjustors	Operating Reserve	Asset Management Fee	Tax Credit Adjustors
3	Asset Management Fee	Tax Credit Adjustors	Operating Reserve	Asset Management Fee
4	Operating Reserve	Construction Management Fee	Deferred Developer Fee	Operating Reserve
5	Deferred Developer Fee	Deferred Developer Fee	Managing Member Loans	Managing Member Incentive Leasing Fee
6	Operating Deficit Loans	**50% to County Loan**	Incentive Management Fee	Deferred Developer Fee
7	Incentive Lease Up Fee	Operating Deficit Loan	**75% to County Loan above 1.15 Debt Service Coverage Ratio**	Managing Member Asset Management Fee
8	**35% to County Loan**	Incentive Management Fee	25% to Sponsor Loan Principal	**100% to County Loan up to RPP 1.15 Debt Service Cap**
9	90% to Incentive Management Fee	Partnership Distributions	Partnership Distributions	Operating Deficit Loans
10	Partnership Distributions			Partnership Distributions

SPECIAL CASHFLOW PAYMENT TERMS

Variable Cashflow Position

	Project 1	Project 1 as Proposed
1	Investor Member Fee	Deferred Developer Fee
2	Tax Credit Adjustors	**50% to County Loan**
3	Asset Management Fee	Investor Member Fee
4	Operating Reserve	Tax Credit Adjustors
5	Deferred Developer Fee	Asset Management Fee
6	Operating Deficit Loans	Operating Reserve
7	Incentive Lease Up Fee	Operating Deficit Loans
8	**35% to County Loan**	Incentive Lease Up Fee
9	90% to Incentive Management Fee	90% to Incentive Management Fee
10	Partnership Distributions	Partnership Distributions

50%

SPECIAL CASHFLOW PAYMENT TERMS

Peer Community Review

City of Asheville CDBG-DR

- Gap financing at 0% interest for a 35-year term.
- Annual payments equal to 50% of annual Surplus Cash

SPECIAL CASHFLOW PAYMENT TERMS

Asheville CDBG-DR Surplus Cash Model

The following must be paid solely from the Borrower's share [50%]of Surplus Cash: Deferred developer fee (unless otherwise permitted), any tax credit adjusters, any asset management fees or investor service fees greater than $5,000 per year in total, any incentive payments to any affiliated entities, and the replenishment of any reserves, if required by any other financial partners. However, CDBG-DR required monthly deposits to the Reserve for Replacements may be paid from operations as if they were operating expenses; however, ongoing deposits to other reserves, and replenishment deposits to any reserve account, may be made only from Surplus Cash that is distributed to the Borrower.

SPECIAL CASHFLOW PAYMENT TERMS

Peer Community Review

Wake County / City of Raleigh

- *The Affordable Housing Development Fund (AHDP) provides 0%-2% interest loans for a minimum of 30 years of affordability.*
- *2025 Request for Proposals: "Wake County prioritizes a loan repayment schedule that models the County receiving the maximum possible repayment during the term and being placed in the highest possible repayment position. Wake County will not accept cash-flow basis repayment schedules unless cash-flow basis subordinate debt is explicitly required by the first mortgage lender as evidenced in a commitment letter, LOI, or other documentation.*
  Repayment preferences are reflected in project scoring."

SPECIAL CASHFLOW PAYMENT TERMS

Peer Community Review

City of Durham

- *Affordable housing investments made through the Durham Affordable Housing Loan Fund managed by Self-Help Credit Union.*
- *Bridge loan with a 3.4% interest rate for a 5-year term and interest only payments.*

City of Charlotte

- *The Charlotte Housing Trust Fund (HTF) provides low interest loans for a minimum of 60 years of affordability.*
- *Cashflow repayment schedule similar to the current AHSP policy but anticipates ongoing extensions.*

SPECIAL CASHFLOW PAYMENT TERMS

Proposed:

- Annual payments calculated at 50% of available cashflow after deferred developer fees. Asset management fees, investor service fees, incentive fees, reserves, other soft debt payments or distributions to the ownership entity paid from cashflow must be paid from remaining 50% of available cashflow.
- Cashflow payments will be applied first to accrued interest and then principal.

Purpose:

- Increase timely repayment of cashflow loans for future use.

FY27 AHSP CYCLE

Date	Activity
October 6, 2026	Board of Commissioners Consider AHSP Revisions for Approval
November 5, 2026	Open AHSP Household Impact Application
December 7, 2026	Close AHSP Household Impact Application
December 16, 2026	Open AHSP Unit Development Application
January 27, 2027	Close AHSP Unit Development Application
February 2, 2027	Staff Present Household Impact Requests
March 2, 2027	Staff Present Unit Development Requests
April 6, 2027	Subcommittee Makes AHSP Funding Recommendations

RECOMMENDED ACTION

Motion to recommend approval of revisions of the AHSP Guidelines to the full Board of Commissioners.

PRESENTATIONS

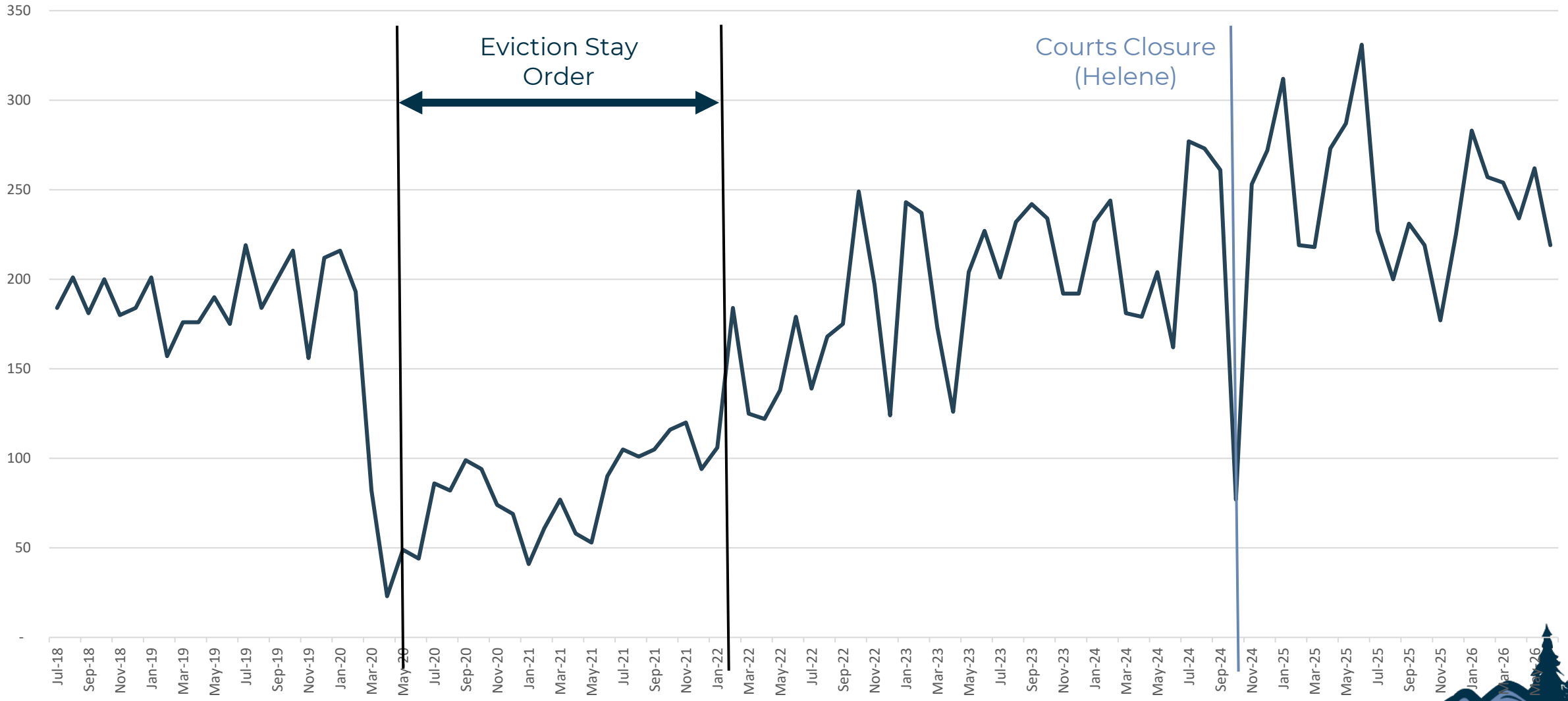


EVICTIONS: ANNUAL STATE DATA OF BUNCOMBE COUNTY SUMMARY EJECTIONS

Jake Ekberg

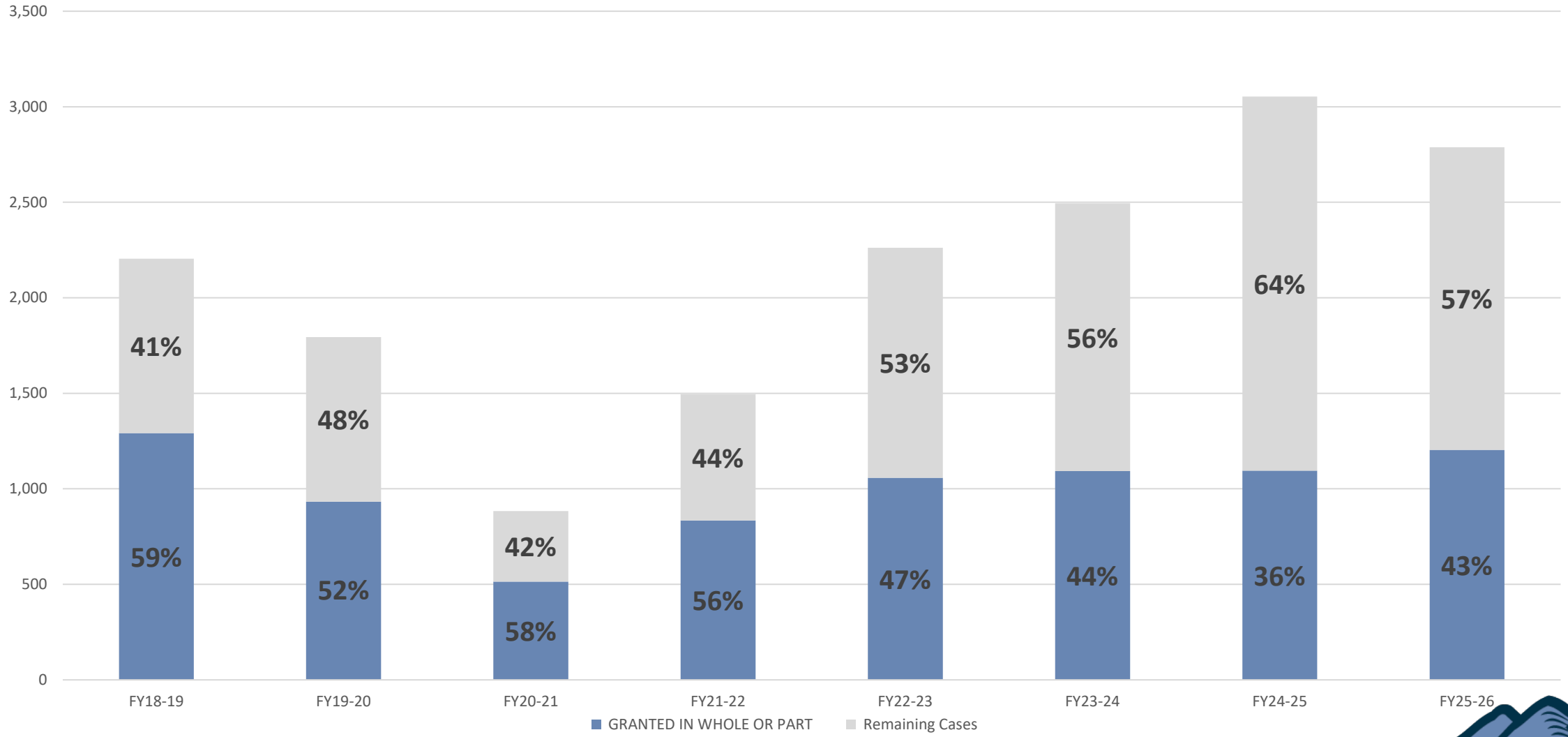
Community Development Grants Manager

BUNCOMBE COUNTY FY18-26: TOTAL EJECTMENT CASES FILED BY MONTH



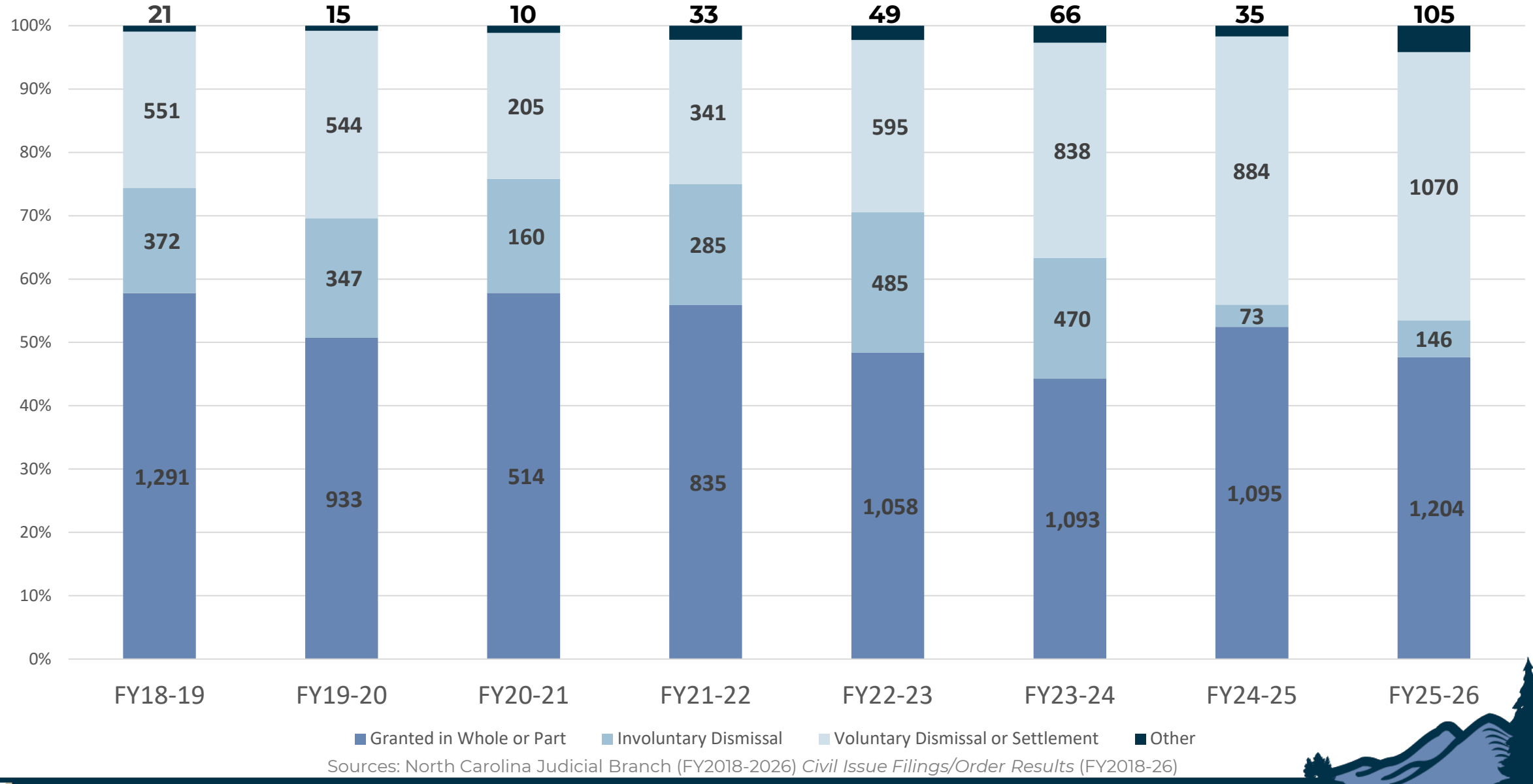
Source: North Carolina Judicial Branch (2018-2026) *Civil Issue Filings/Order Results* (FY2018-26)

BUNCOMBE COUNTY FY18 – FY26: TOTAL SUMMARY EJECTION CASES FILED



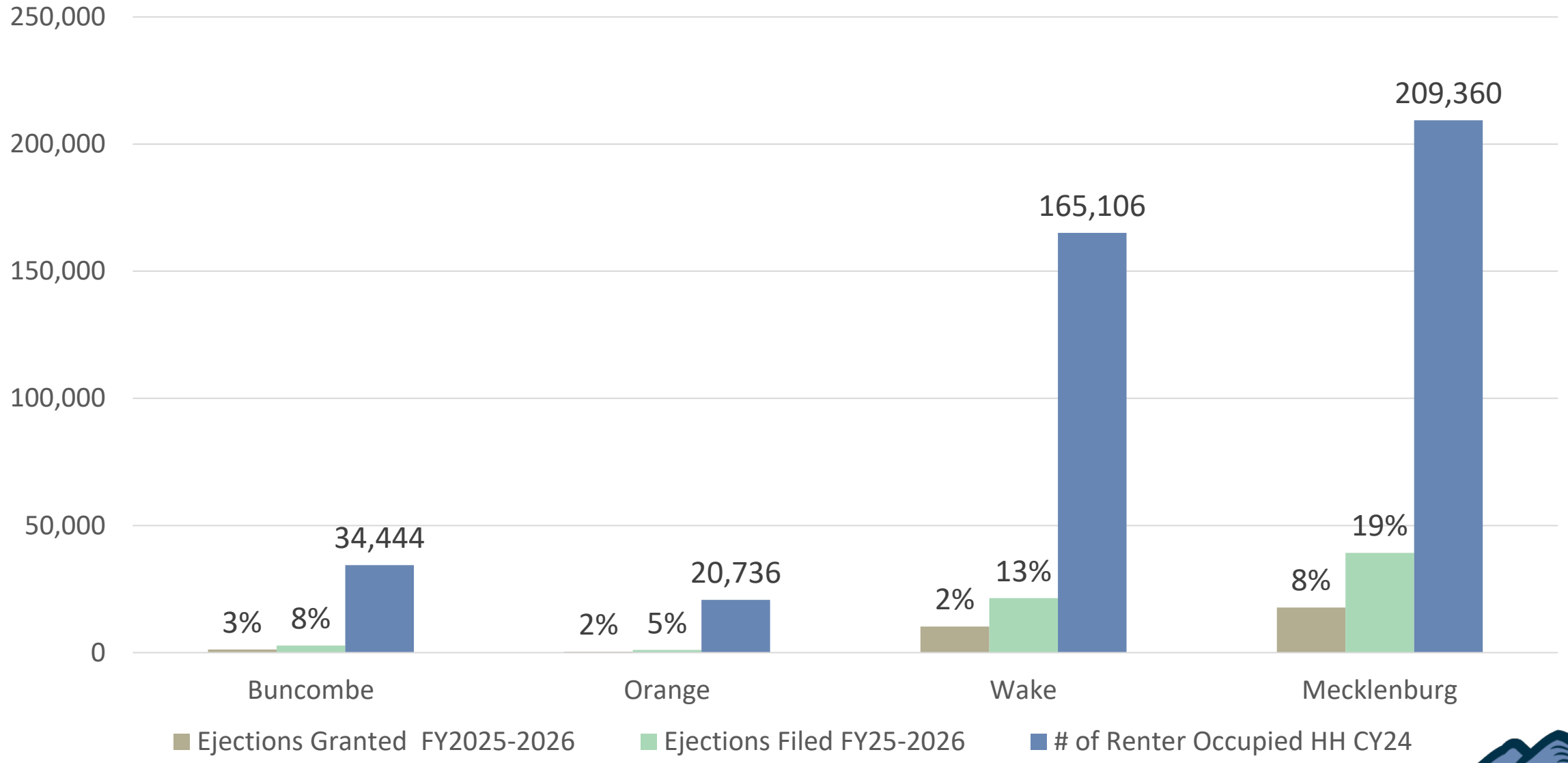
Source: North Carolina Judicial Branch (2018-2026) *Civil Issue Filings/Order Results* (FY2018-26)

BUNCOMBE COUNTY FY18-26: TOTAL CASES BY RULING



Sources: North Carolina Judicial Branch (FY2018-2026) *Civil Issue Filings/Order Results* (FY2018-26)

SUMMARY EJECTIONS FILED AND GRANTED RELATIVE TO RENTAL UNITS



Sources: North Carolina Judicial Branch (FY2018-2026) *Civil Issue Filings/Order Results* (FY2018-26); United States Census Bureau (2024) Renter/Homeowner Occupied Households (ACS2024)

LOW INCOME HOUSING TAX CREDIT & CDBG-DR AWARDS FOR LIHTC PROJECTS

Matthew Cable

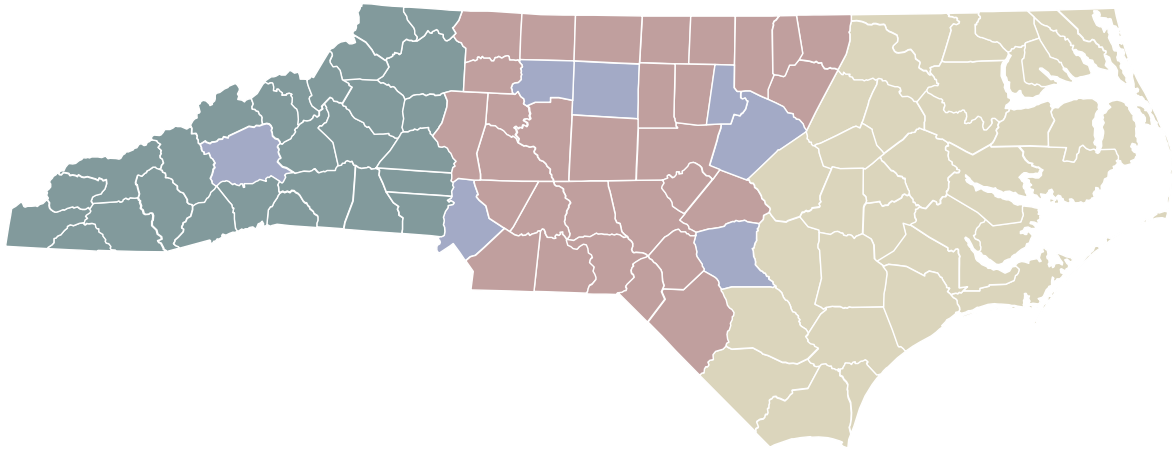
Community Development Division Manager

ACRONYMS

- **NCHFA:** North Carolina Housing Finance Agency
- **LIHTC:** Low-Income Housing Tax Credits
- **NCDOC DCR:** North Carolina Department of Commerce Division of Community Revitalization
- **CDBG-DR:** Community Development Block Grant – Disaster Recovery

NCHFA LIHTC AWARDS BY REGION

Region	Projects	9% Awards	4% Awards	RPP Loans	Tax Exempt Bonds	CDBG-DR	Units
West	12	$12,186,380	$3,133,698	$8,760,000	$22,700,000	$18,604,400	861
Central	7	$5,862,700	$2,791,565	$3,379,100	$23,551,400	$0	481
East	8	$6,877,700	$7,658,300	$5,594,600	$55,897,400	$0	796
Metro	22	$11,430,420	$27,777,495	$9,785,000	$283,073,800	$1,727,500	2,584
Total	**49**	**$36,357,200**	**$41,361,058**	**$27,518,700**	**$385,222,600**	**$20,331,900**	**4,722**



Geographical Set-aside
West 16%
Central 23%
East 23%
Metro 38%

FY 2026 NCHFA LIHTC ANNUAL APPLICATIONS FOR PROJECTS WITHIN BUNCOMBE COUNTY

Project	Organization	Location	9% Request	4% Request	CDBG-DR Request	Units
Alta Valley Trace	Taft-Mills Group, LLC	Asheville	$1,099,999		$3,000,000	94
Crescent Place Apartments	Mountain Housing Opportunities	Arden	$1,500,000		$1,727,501	60
District East Commons	The Commonwealth Companies	Asheville	$1,500,000		$2,883,000	93
Orchard Heights	Woda Cooper Companies	Asheville	$1,500,000		$3,000,000	62
Waterstone Terrace	Greenway Residential Development II, LLC	Woodfin	$1,500,000		$3,000,000	60
50 Coxe Avenue	Harmony Housing Affordable Development Inc	Asheville		$22,325,000	$15,000,000	203
Apex on Hazel Mill	Blue Ridge Atlantic Development	Asheville		$8,500,000	$8,000,000	89
Arden Terrace	Atlantic Housing Foundation	Arden		$12,500,000	$13,900,000	130
Bleumont	LDG Bleumont, LLC	Weaverville		$27,000,000	$15,000,000	168
Sweeten Creek Rd Apartments	Pennrose Holdings, LLC	Asheville		$13,500,000	$7,988,444	126
Terrace at River Hills	South Creek Development, LLC	Asheville		$21,000,000	$4,500,000	126
Vesta at Erwin	Mountain Housing Opportunities	Asheville		$15,000,000	$10,770,691	120
Vista Trace	Taft-Mills Group, LLC	Asheville		$15,000,000	$15,000,000	135
		Total	**$7,099,999**	**$134,825,000**	**$103,769,636**	**1,466**

NCHFA NOTICE OF LIHTC AWARDS

9% Projects*

Project	Organization	Location	9% Awards	Units	CDBG-DR
Crescent Place Apartments	Mountain Housing Opportunities	Arden	$1,355,420	60	$1,727,500

*Section II(B)(3)(b): If necessary, the Agency will adjust the awards under the Plan to ensure the overall allocation results in no less than one award for Buncombe County in the Metro region.

4% Projects**

Project	Organization	Location	4% Awards	Units	CDBG-DR
319-Biltmore	Laurel Street Residential	Asheville	$1,685,231	112	$0
Pine Lane (June Award)	The Affordable Housing Institute, Inc.	Asheville	$2,169,020	126	$0

**Projects awarded in this notice would have been part of the open call from May-October 2025. Projects in the regular annual cycle (January 2026 pre-application and May 2026 submittal timeframe) may receive 4% LIHTC awards later.

CDBG-DR FOR LIHTC PARAMETERS

- CDBG-DR is available to projects in disaster impacted counties (16) including Buncombe County
- Any new construction or rehabilitation application submitted in one of the 16 counties must agree to accept CDBG-DR funds in the form of a loan as part of a tax credit award
- Maximum loan of $3M can be requested for 9% project applications (DCR can override maximum)
- Maximum loan of $15M can be requested for 4% project applications (DCR can override maximum)
- Loan is a 0% interest 30-year loan with balloon payment due at maturity
- CDBG-DR funds will be awarded to new construction before rehabilitation
- One CDBG-DR award per County but, should funds remain, a second CDBG-DR award may be provided
- CDBG-DR funds supplement but do not supplant the LIHTC awards
- $60M initial program funding maximum, amended in mid-August to increase funding to $69M
- Maximum of $24M to support 9% projects

CDBG-DR AWARDS NOTICED BY NCHFA

NCHFA Noticed 9% LIHTC awards receiving CDBG-DR on August 14, 2026

County	9% Award	CDBG-DR Request	CDBG-DR Award	Units
Buncombe	$1,355,420	$1,727,501	$1,727,500	60
Caldwell	$1,500,000	$3,000,000	$3,000,000	60
Cleveland	$1,500,000	$3,000,000	$3,000,000	84
Haywood	$265,000	$1,100,000	$10,554,400	60
Rutherford	$1,173,750	$2,050,000	$2,050,000	56
Total	**$5,794,170**	**$10,877,501**	**$20,331,900**	**320**

CDBG-DR AWARDS NOTICED BY STATE

Governor's Office Press Release Noticed 4% LIHTC applications receiving CDBG-DR on August 25, 2026

County	4% Bond Requests	CDBG-DR Request	CDBG-DR Award	Units
Ashe	$7,000,000	$8,811,985	$8,481,900	55
Burke	$11,360,670	$14,214,672	$13,347,500	144
Henderson	$21,500,000	$2,900,000	$2,900,000	132
Transylvania	$6,500,000	$13,100,000	$12,671,900	84
Watauga	$10,500,000	$11,964,691	$11,406,600	93
Total	**$56,860,670**	**$50,991,348**	**$48,807,900**	**508**

AWARDS RANKED BY CDBG-DR INVESTMENT

County	LIHTC	CDBG-DR Award	Units	CDBG-DR per Unit	Percent of Units	Percent of CDBG-DR Funds
Burke	4%	$13,347,500	144	$92,691	17.39%	19.31%
Transylvania	4%	$12,671,900	84	$150,856	10.14%	18.33%
Watauga	4%	$11,406,600	93	$122,652	11.23%	16.50%
Haywood	9%	$10,554,400	60	$175,907	7.25%	15.27%
Ashe	4%	$8,481,900	55	$154,216	6.64%	12.27%
Caldwell	9%	$3,000,000	60	$50,000	7.25%	4.34%
Cleveland	9%	$3,000,000	84	$35,714	10.14%	4.34%
Henderson	4%	$2,900,000	132	$21,970	15.94%	4.19%
Rutherford	9%	$2,050,000	56	$36,607	6.76%	2.97%
Buncombe	**9%**	**$1,727,500**	**60**	**$28,792**	**7.25%**	**2.50%**
	Total	**$69,139,800**	**828**	**$83,502**	**100%**	**100%**

CITY CDBG-DR MULTIFAMILY HOUSING AWARDS

Developer	Development	Units	CDBG-DR Award	LIHTC Status
Mountain Housing Opportunities	Terrace River Hills	126	$9,500,000	4% Submitted; No Award
The Commonwealth Companies	District East	93	$1,390,000	9% Submitted; No Award
Laurel Street Residential	319-B Biltmore	112	$7,000,000	4% Submitted; Awarded
	Total	**331**	**$17,890,000**	

COXE AVENUE UPDATE

COXE AVENUE

TISE·KIESTER ARCHITECTS

SITE PLAN

TO DOWNTOWN ASHEVILLE

PLAZA BRIDGING TO SAWYER

RESIDENCE GREEN ROOF AMENITY

ACTIVE SIDEWALK AND RETAIL

SAWYER

COXE AVE

CHURCH

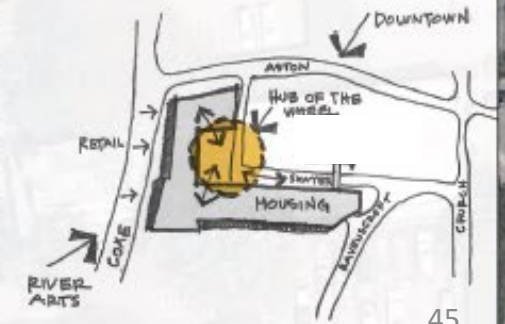
RAVENSCROFT

RESIDENCE GREEN ROOF AMENITY

SOLAR PANELS

TO RIVER ARTS DISTRICT

SKETCH DIAGRAM



COXE AVENUE UNIT & AFFORDABILITY MIX

Proposed Unit Mix

Unit Size	Total
1BR	151
2BR	30
3BR	22
Total Units	**203**

Proposed Affordability Mix

AMI	Total Units
≤30%	46
≤60%	114
≤80%	43
Total Units	**203**

COXE AVENUE FUNDING GAP

LITHC Status: Not Awarded

CDBG-DR Status: Not Awarded

Funding Gap: $15M (CDBG-DR)

COXE AVENUE NEXT STEPS

Buncombe County and Harmony Housing are collaboratively working together under our memorandum of understanding to evaluate and determine:

- If additional CDBG-DR opportunities will be made available through the NCDOC DCR/NCHFA and/or the City of Asheville
- Alternative sources for capital stack funding gap
- Project costs if CDBG-DR funds are not part of the capital stack
- Project alternatives to reduce funding gap

Harmony Housing is preparing to submit funding applications for:

- Alternative sources if identified
- 4% LIHTC

ANNOUNCEMENTS



ADJOURN