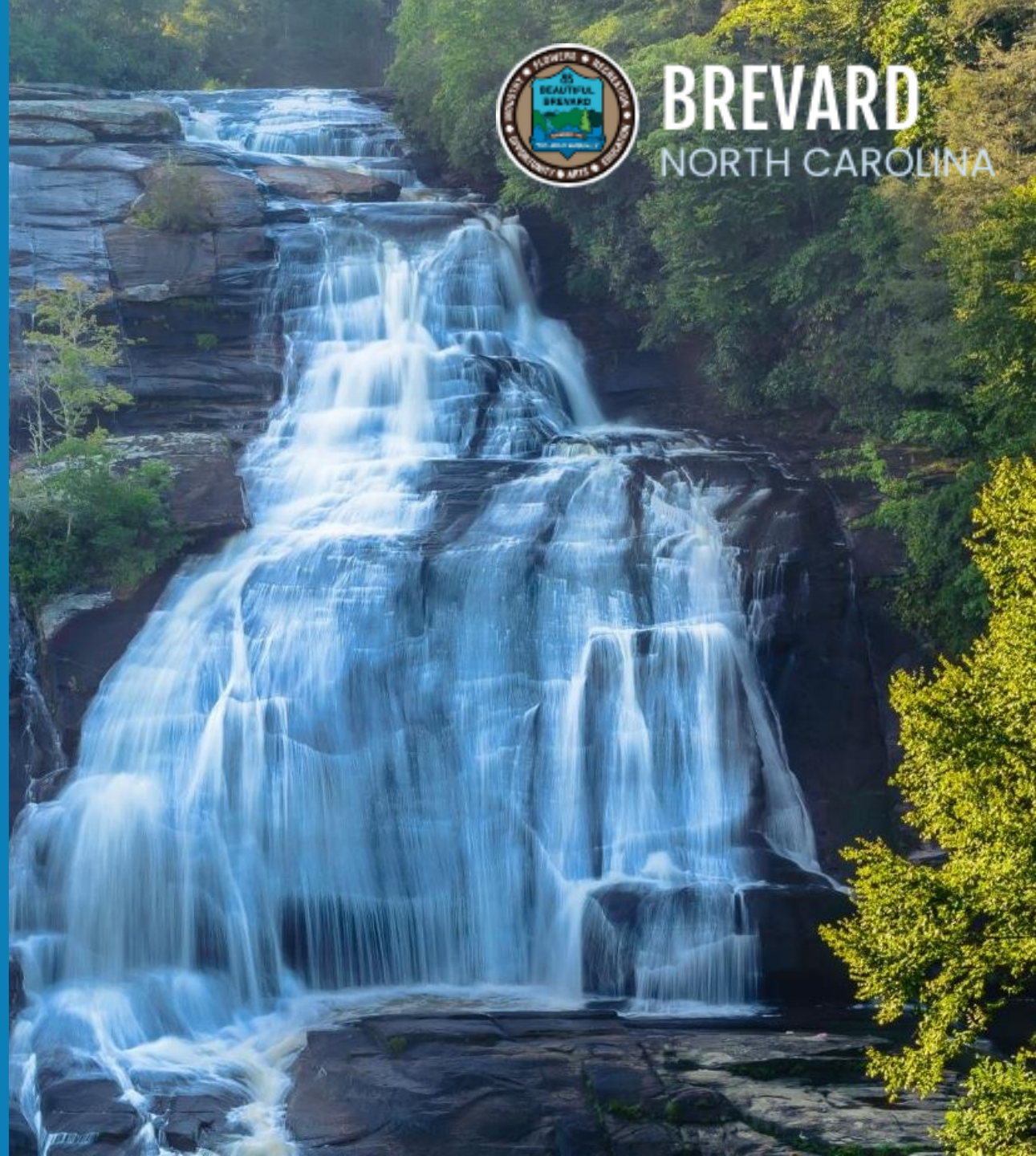
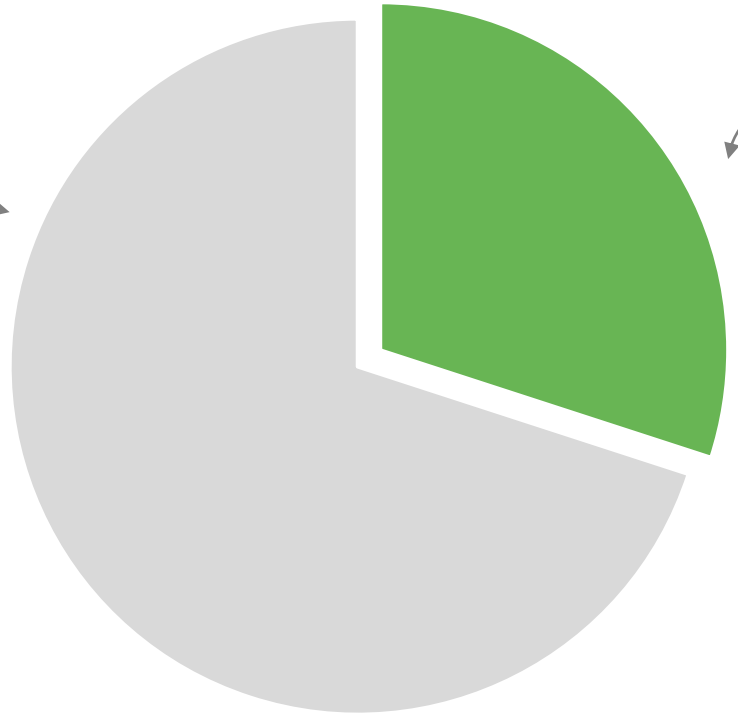
BDRPC Property Lease: Partnership for Affordable Housing

City Council | May 20, 2024



What is affordable housing?

Housing is considered “affordable” if a family is paying less than **30%** of their annual income on **housing-related expenses.**



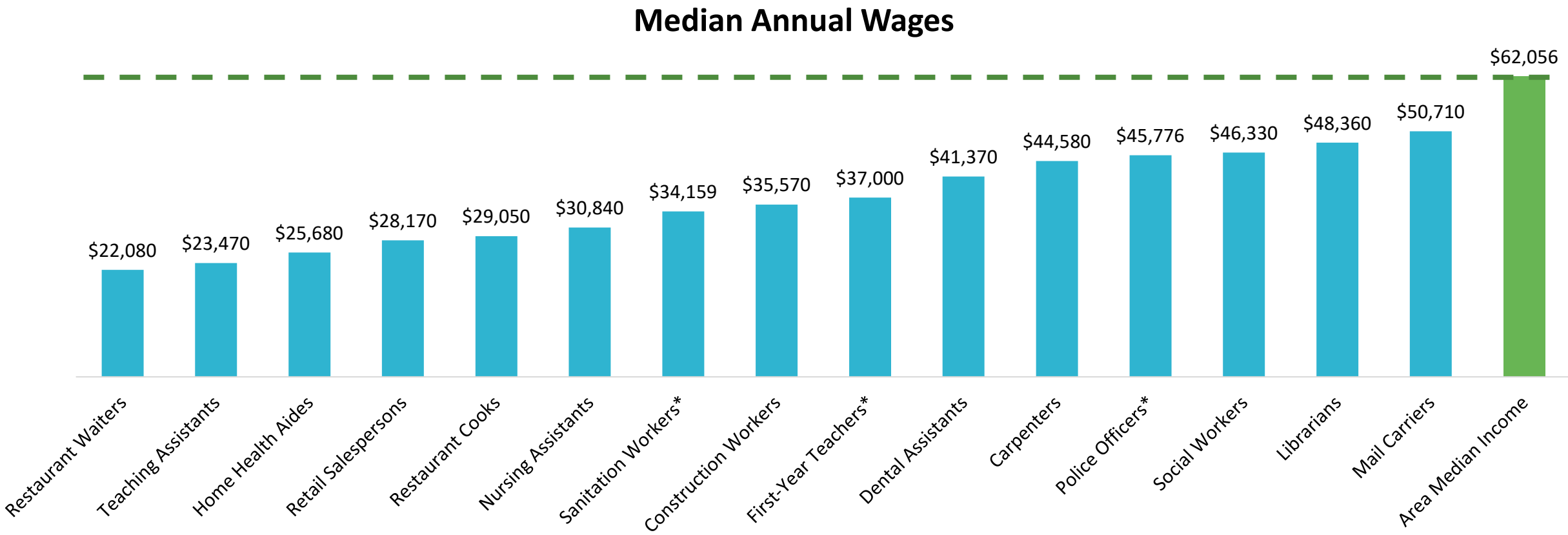
Housing expenses include rent plus utilities or mortgage, insurance, and property taxes plus utilities.

Families living in affordable housing have more income than cost burdened households to cover other expenses like childcare, health care, transportation, or food.

Income Limits in Transylvania County

Percent of Area Median Income (AMI)	1-person	2-person	3-person	4-person
30% Extremely Low Income	$16,170	$18,480	$20,790	$23,100
50% Very Low Income	$26,950	$30,800	$34,650	$38,500
60% Low Income	$32,340	$36,960	$41,580	$46,200
80% Low-to-Moderate Income	$43,120	$49,280	$55,440	$61,600

Who is Brevard's Workforce?



Source: US Bureau of Labor Statistics, Occupational Employment and Wage Estimates, Mountain North Carolina nonmetropolitan area, May 2022.
**Confirmed starting salaries with the City of Brevard or Transylvania County Schools*

Who is Brevard's Workforce?

Transylvania County Area Median Incomes (AMI) – One Person Household*				
	30%	50%	60%	80%
Income (annual)	$16,170	$27,000	$32,340	$43,120
1-BR Affordable Rent (per month)	$430	$670	$860	$1,080

Average current rental rate for a 1-BR unit is ***$1,960/month.***



Senior Resident (Social Security Income)



Restaurant Server



Firefighter

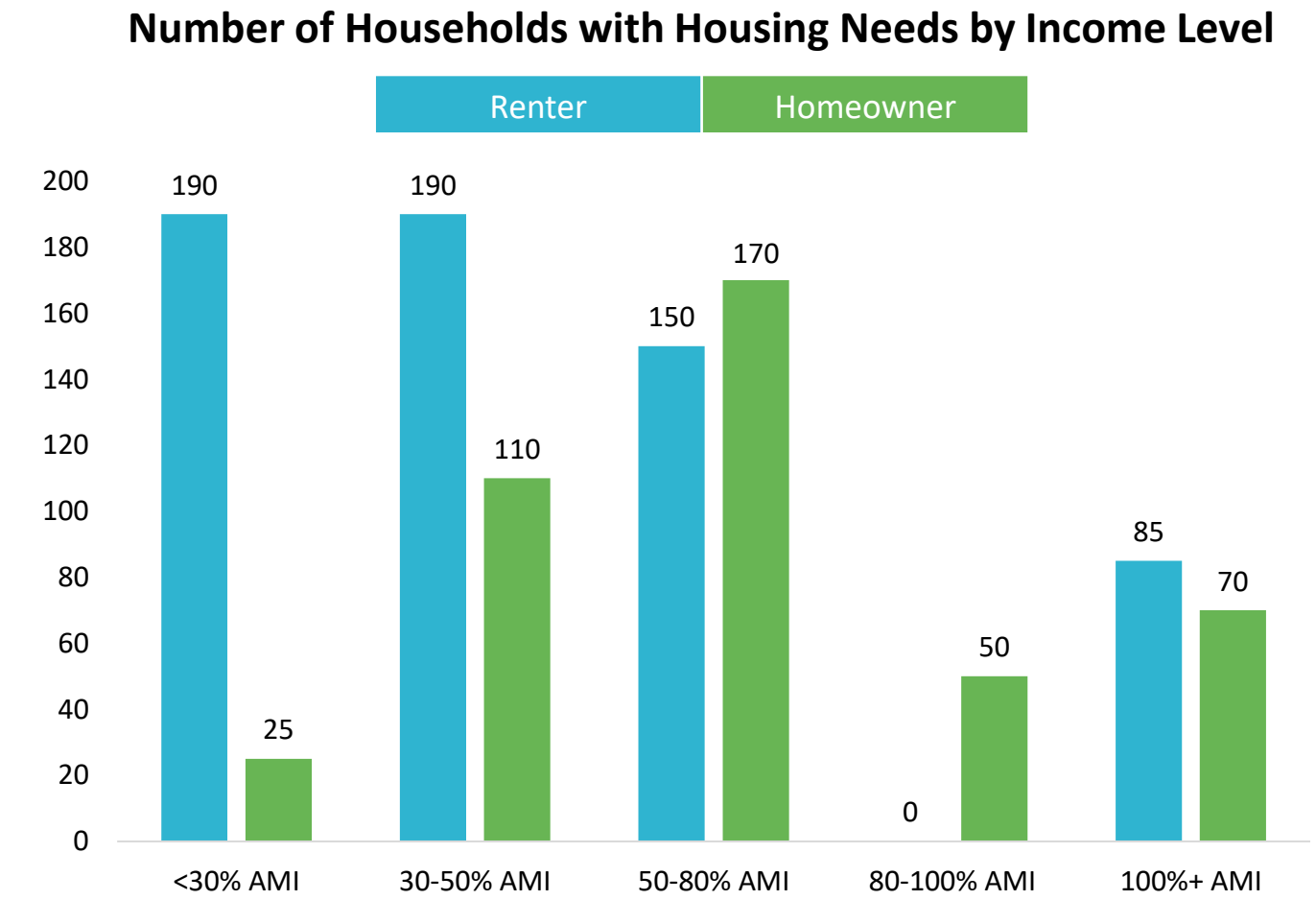


Elementary School Teacher

Source: DFI Analysis of HUD 2024 data.

The Need

- At least **530 LMI renters** and **305 LMI homeowners** have housing needs in Brevard.
- Of these households, approximately 50% are severely housing cost-burdened.
- The number of households with housing needs has likely grown post-pandemic.



Housing Need: households with housing need (1) spend at least 30% of their annual income on housing-related costs, (2) live in units without plumbing or kitchen facilities, or (3) live in units with more than 1 person per room.

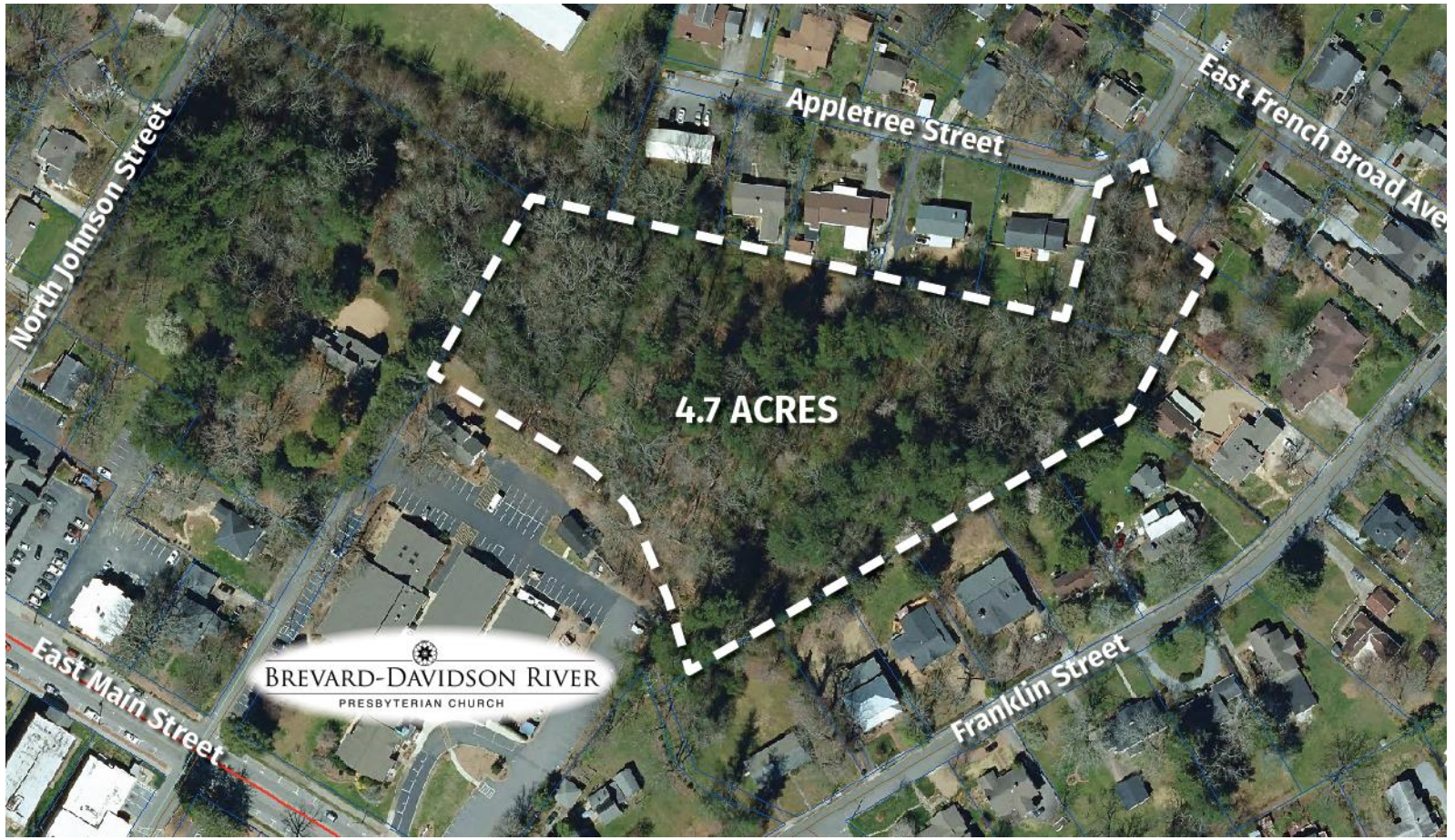
Source: DFI Analysis of HUD CHAS (2020)

Housing Identified as Top Priority

- #1 Goal in *Building Brevard 2030* Comprehensive Land Use Plan is “Expand housing opportunities for all residents while preserving the character of Brevard and its neighborhoods”
- Housing Policy Action / Funding categorized as “Category 1: Essential” in City Council’s FY23-24 and FY 24-25 Strategic Planning Retreats
- City Council elevated the Housing Committee to a Policy Committee and expanded it’s scope to beyond the Housing Trust Fund

Launching a Partnership for Housing

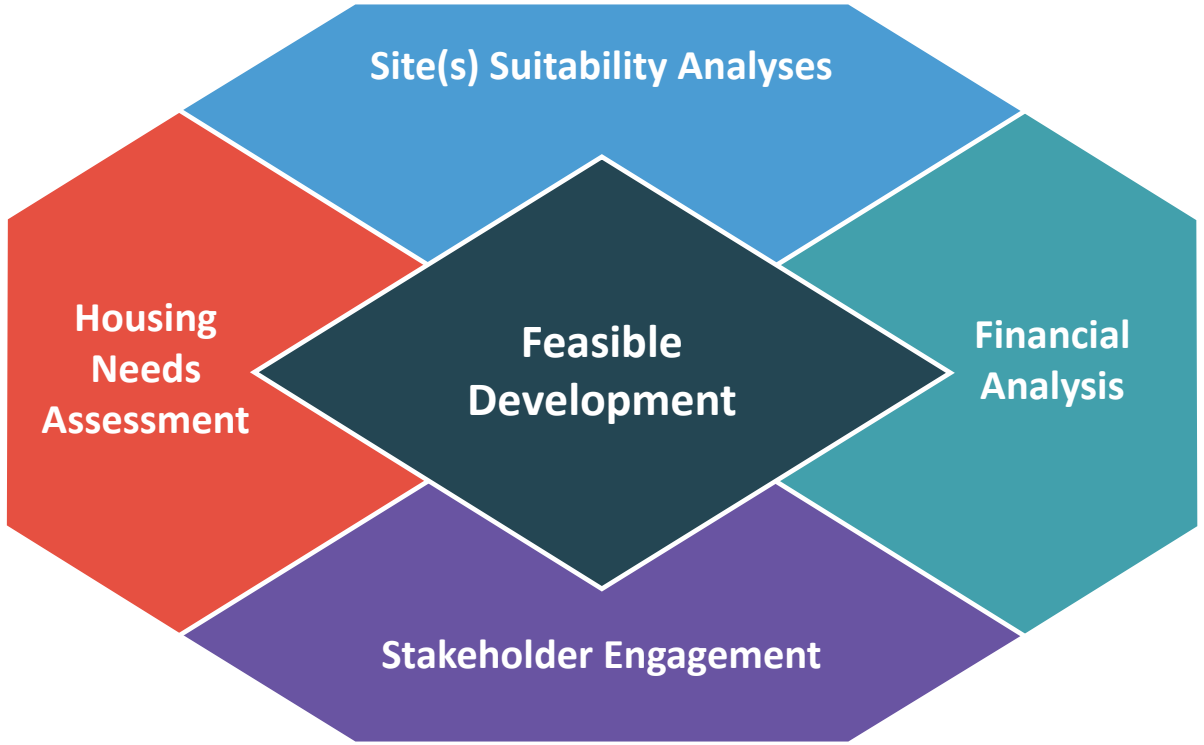
- Church approached City with **approximately 4 acres** of undeveloped land in late 2021
- City considering opportunities for public contributions for housing
- Shared priorities to support Brevard's workforce
- City engaged UNC's Development Finance Initiative to evaluate housing opportunities



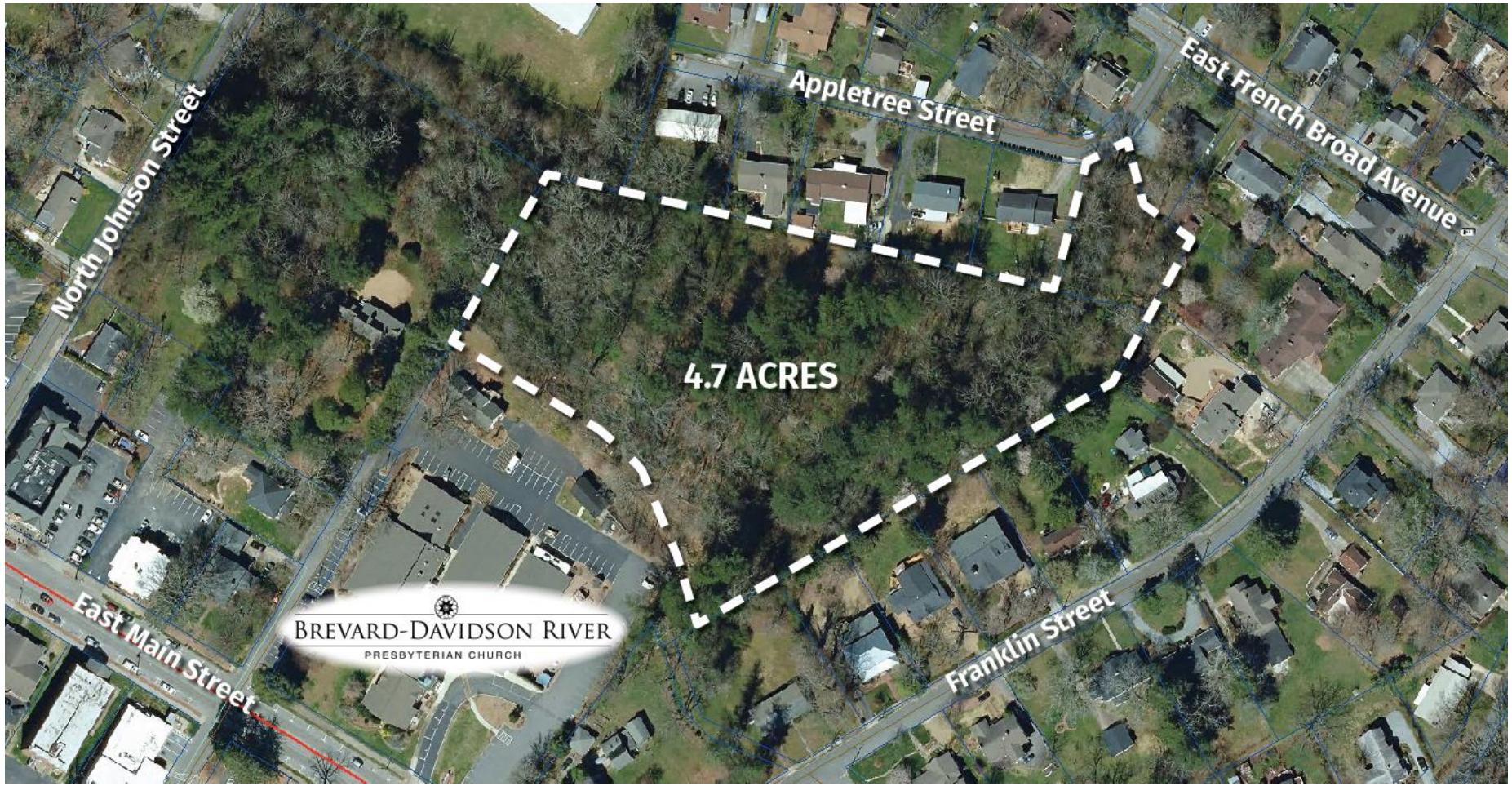
DFI Scope of Services

The City engaged the Development Finance Initiative (DFI) to support the city in:

1. Pre-development process:
   - ✓ **Phase 1: Opportunity site identification**
   - Phase 2: Site-specific pre-development analyses
2. Solicitation of private development partner(s)
3. Negotiating the development agreement with selected partner(s)



Launching a Partnership for Housing



Proposed Lease Summary

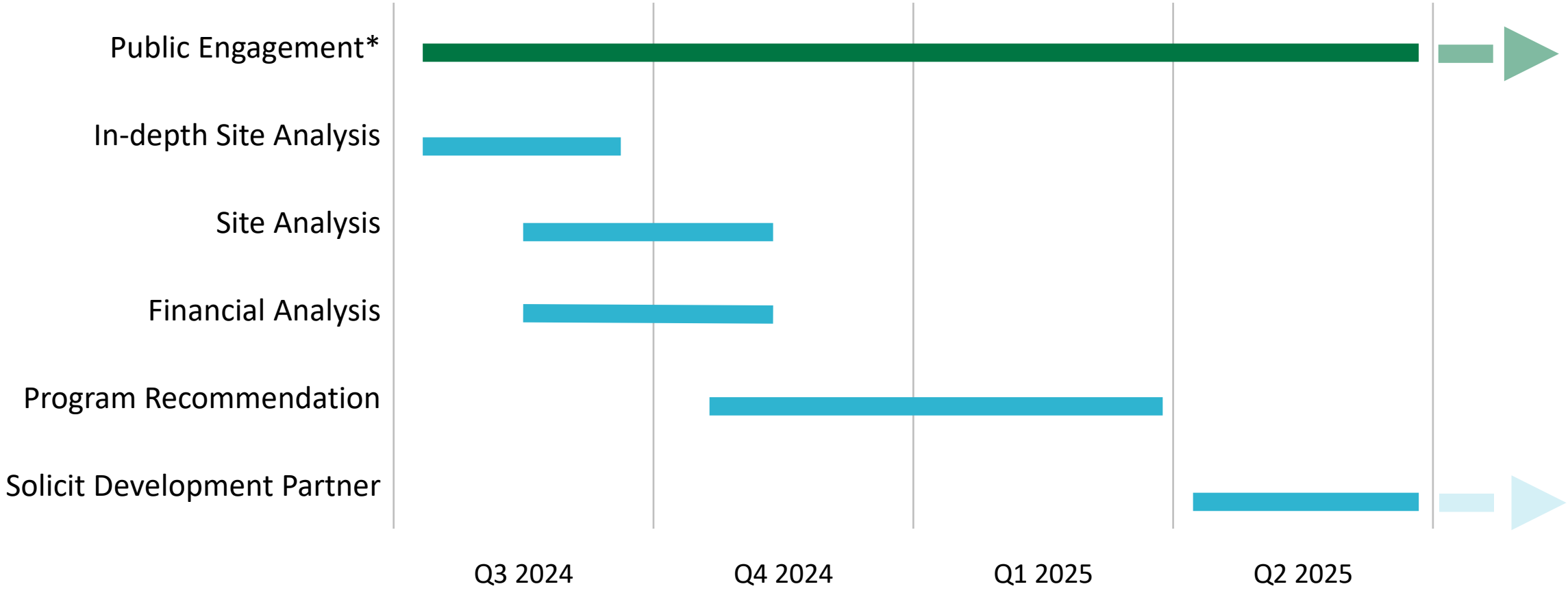
Brevard-Davidson River Presbyterian Church (Landlord) and City of Brevard (Tenant)

- **3-Year Lease with Option to Purchase**
  - Option to purchase is contingent on the City finding a qualified development partner
  - Deed restriction is in place to ensure the property is only used for affordable housing (80% or less of AMI)
- **Rent**: $1.00 per Year
  - City pays or reimburses Church for taxes
- **Permitted Use During Lease**: City can only conduct feasibility studies in pursuit of a potential affordable housing project
- **Timeframe**: At least 24 units must completed within 5 years of the purchase or the land reverts back to the Church

Review and Approval Process

- ✓**April 9th** – City's Housing Committee unanimously recommends approval of short-term lease
- ✓**April 26th** – BDRPC Session / Leadership unanimously recommends approval and motion to bring lease for a full congregational vote
- **May 20th** – City Council vote on short-term lease of BDRPC land
- **June 6th** – BDRPC / City hold information sessions for congregation
- **June 9th** – BDRPC congregation votes on short-term lease of BDRPC land

Estimated Pre-Development Timeline



*Public engagement timing will occur throughout the pre-development process. Timing and frequency will be specified in close coordination with City staff.
Note: Timeline subject to change based on timing, type and scale of public engagement process, Council decision making, as well as private partner outreach strategy.